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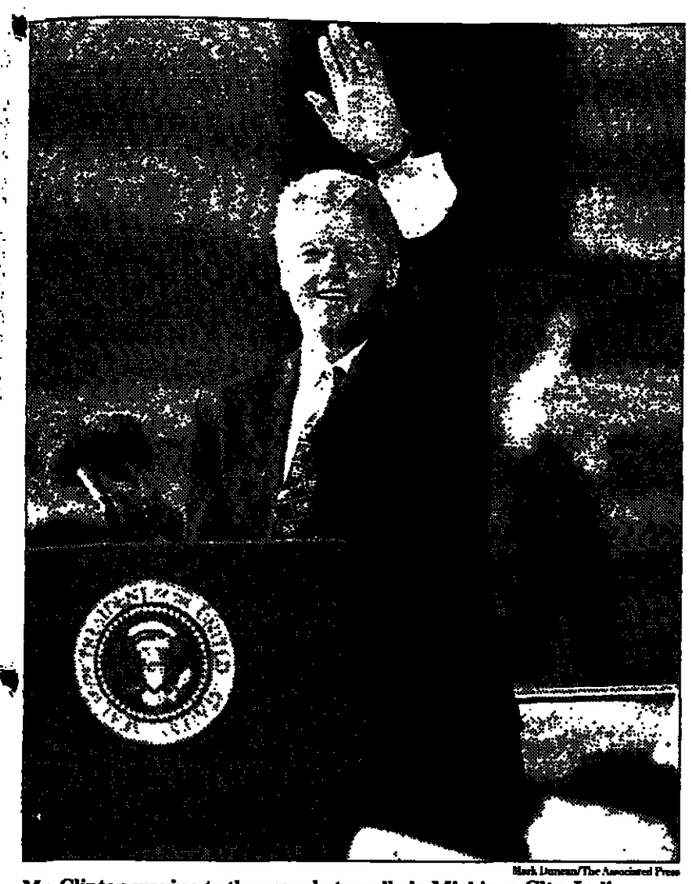
International Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper ** Paris, Friday, August 30, 1996 No. 35,303

TODAY: LEISURE



Mark Duncan/The Associated Press

Mr. Clinton waving to the crowd at a rally in Michigan City, Indiana.

Clinton's Top Strategist Resigns

Morris Reportedly Told Secrets to Prostitute

By Brian Knowlton
International Herald Tribune

WASHINGTON — One of President Bill Clinton's closest political advisers, a man largely credited with guiding the president back from the political wasteland since 1994 and crafting a powerful re-election campaign, resigned Thursday amid reports that he had shared administration secrets with a prostitute.

The adviser, Dick Morris, quit only hours before Mr. Clinton was to accept his party's nomination in what Democrats hoped would be a triumphal appearance at the convention in Chicago.

The development "comes at the worst possible time, on one of the biggest days for the president," Senator Dianne Feinstein, Democrat of California, said on CNN.

In a brief note issued by the Clinton campaign, Mr. Morris said: "While I served I sought to avoid the limelight because I did not want to become the message. Now I resign because I do not want to become the issue."

He added: "I will not subject my wife, family or friends to the sadistic vitriol of yellow journalism."

In a statement issued in Chicago, Mr. Clinton said, "Dick Morris is my friend and he is a superb political strategist." The president said he would always be grateful for "the contribution he has made to my campaign." The White House refused to comment on the substance of the allegations.

Mr. Morris, who first worked for Mr. Clinton during his 1978 gubernatorial campaign in Arkansas, was considered to have enormous influence with Mr. Clinton, so much so that the current Time magazine cover story calls him "The Man Who Has Clinton's Ear."

The resignation was announced as Mr. Clinton was putting the final touches on his acceptance speech, to be delivered at the climax of a carefully scripted convention that so far had gone smoothly for Democrats.

A campaign press secretary, Joseph Lockhart, said on Fox television that "the president wants to lay out a specific agenda for both the next term, the next four years, and a road map for moving the country into the 21st century."

Mr. Clinton was expected to make the most of a government report pointing to robust economic growth in the second quarter and a surge in sales of new homes.

Hillary Rodham Clinton said earlier Thursday that her husband was in high spirits as he prepared to accept the nomination, following a four-day whistle-stop tour en route to Chicago.

"He's really fired up," she said. "He's very excited about this convention. He's excited about the campaign."

But Mr. Morris's resignation seemed sure to take some of the wind out of Mr. Clinton just as he was rebounding strongly in public opinion polls.

The impact of the affair might be tempered by the fact that Mr. Morris's name is not widely known around the country, despite his considerable influence in the White House.

Many Republicans, nonetheless, will surely seize on the affair as confirmation of what they have long said about Mr. Clinton: that he is a man of questionable morality who sees principles as secondary to winning.

Mr. Clinton, in any case, is losing the man who is largely credited with his recent tactical successes and the political repositioning that has helped him co-opt many popular Republican stances.

Bob Dole, the Republican presidential nominee, referred to that repositioning when asked Thursday for his reaction.

"Morris has been trying to make President Clinton a Republican," Mr. Dole said during a campaign stop in California. Referring to Mr. Clinton, he added, "Now maybe he'll revert to the liberal Democrat that he really is."

Administration sources said that the resignation followed a confrontation late Wednesday between another White House aide and Mr. Morris about the

See CLINTON, Page 3

The Associated Press

Dick Morris, the Clinton campaign adviser who resigned Thursday.

Both parties are focusing on women. • Which is really the party of change? • Jack Kemp campaigns for black votes. Page 3. • The Syria policy, criticized by James Baker. Page 12.

CAMPAIGN '96

German Deficit Is Mushrooming

Bad News for Monetary Goals

By John Schmid
International Herald Tribune

FRANKFURT — New German budget estimates show a mushrooming deficit this year and cast renewed doubt on Germany's ability to meet the fiscal benchmarks for 1997 that are crucial for Europe's ambitions to unite behind a single currency in 1999.

Germany's political elite, which has acted as the voice of fiscal righteousness throughout the monetary-union debate, was forced into an embarrassing admission Thursday: Finance Minister Theo Waigel conceded that his long-held goal of holding the federal deficit to 60 billion Deutsche marks ($40.56 billion) this year would no longer be attainable.

Mr. Waigel did not cite concrete figures, but his colleagues in the center-right government coalition were quoted as saying that the federal shortfall would outstrip the target by as much as 15 billion DM this year.

If that turns out to be true, the deficit could be as deep as many private forecasters have projected, perhaps even approaching the 80 billion DM shortfall predicted by the opposition Social Democrats. A spokeswoman at the Finance Ministry in Bonn declined to comment on the projections.

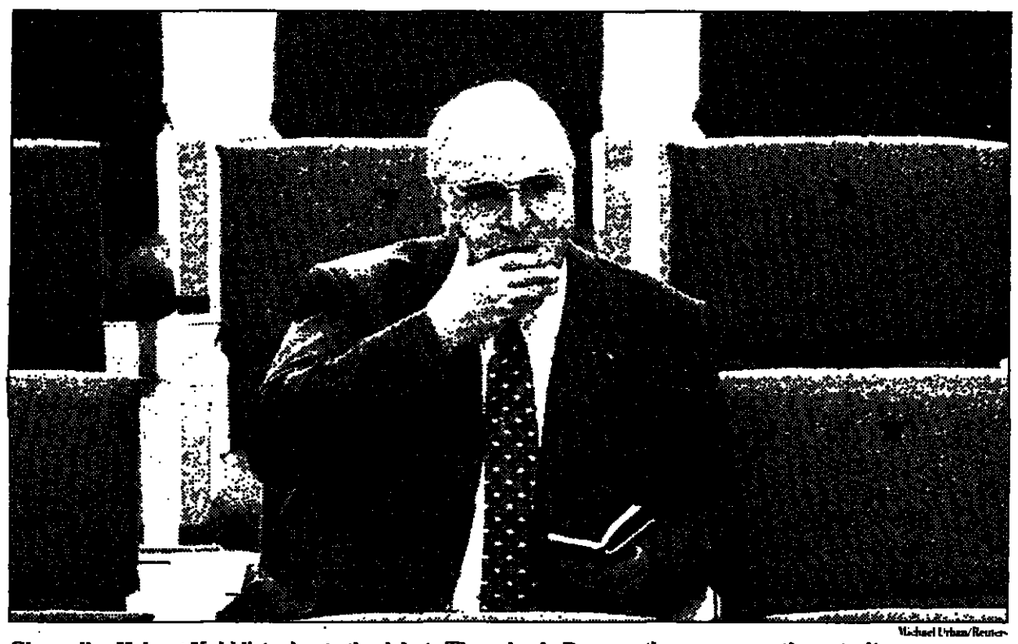
Growing worries over Germany's finances follows similar uncertainty about whether France will overshoot its deficit targets. Those worries have put the French franc under pressure this week.

President Jacques Chirac said Thursday that France would meet the criteria for economic and monetary union and would participate in 1999. "France will be at the rendezvous and will respect the timetable," he said.

Alison Cottrell, an international economist at PaineWebber International in London, said neither France nor Germany would likely meet the 1997 benchmark to keep their respective deficits below 3 percent of national income.

Anxieties will only worsen as both nations begin their budget debates for 1997, the year in which eligibility to join the single-currency project is determined, Ms. Cottrell said. It is

See GERMANY, Page 12



Michael Urban/Reuters

Chancellor Helmut Kohl listening to the debate Thursday in Bonn on the government's austerity program.

U.S. Data Show Vigorous Growth

Higher Rates Are Feared

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — The Commerce Department reported Thursday that the economy sprinted to an even bigger gain in the spring quarter than it first estimated, a result that along with other fresh data suggested that a hoped-for slowing of activity is eluding policymakers.

Growth in total output of goods and services for the April-June period is now put at 4.8 percent annual rate, 0.6 point above the estimate published at the beginning of the month and the strongest since the spring of 1994. Moreover, the upward revision showed less production going into inventories and more of it to meet demand.

Then, in a second report, the government said sales of new one-family houses surged 7.8 percent in July, the most robust showing since February. This advance came despite mortgage rates that remain above 8 percent and, like the output figures, also surprised analysts, most of whom had expected a small decline in home sales.

"The economy still has a good deal of momentum," said Brian M. Jones, an economist at Salomon Brothers.

Reacting to the reports, the bond market suffered a wave of selling, pushing up interest rates on revived fears that the Federal Reserve would not be able to avoid a decision to tighten monetary policy to prevent a flare-up of inflation. The

See GROWTH, Page 12

Israel Moves to Soothe Arafat

Palestinians Carry Out First General Strike Since '93

By Barton Gellman
International Herald Tribune

JERUSALEM — Israel's new Likud party government sought to dispel a crisis atmosphere Thursday with a flurry of high-level emissaries to Yasser Arafat, as Palestinians shuttered shop fronts in their first general strike since the peace accord of 1993.

Prime Minister Benjamin Netanyahu, who had frozen peace talks since taking office on June 18, gave hasty permission for Israel's chief negotiator to introduce himself Thursday afternoon to his Palestinian counterpart. The two men, the former Israeli military chief of staff, Dan Shomron, and a Palestinian cabinet minister, Saeb Erekat, spent an hour at a Jerusalem hotel and said substantive talks would begin next week.

Mr. Netanyahu also sent a private emissary, Yitzhak Molcho, an attorney, to deliver an unknown message to Mr. Arafat in the West Bank town of Ramallah, according to a knowledgeable source. The prime minister's senior foreign policy adviser, Dore Gold, was scheduled to meet Thursday night with Mr. Arafat's ranking deputy, Mahmoud Abbas.

But even as it opened new lines of communication, the government approved construction of another 2,000 apartments for Jewish settlers in the West Bank, according to Israel Radio.

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Agence France-Presse

Dr. Takeshi Abe, arrested Thursday.

Japan Arrests Doctor in Blood Scandal

By Andrew Pollack
New York Times Service

TOKYO — Japanese authorities made their first arrest Thursday in a scandal that has vexed the nation, filing charges against a prominent physician whom many of Japan's hemophiliacs accuse of being largely responsible for their having been infected with the virus that causes AIDS.

The arrest of Dr. Takeshi Abe, a hemophilia expert who headed a government advisory panel on AIDS in the 1980s, appears to be part of a new effort to punish those deemed responsible for the affair, in which 1,800 hemophiliacs were infected with HIV after using blood-clotting agents contaminated with the virus.

Also Thursday, in a rare example of a raid on a Japanese government agency, dozens of law enforcement officials marched into the Ministry of Health and Welfare and used dollies to wheel away carton after carton of documents. The raid, combined with one last week at the Green Cross Corp., a pharmaceutical company in Osaka, suggests that criminal charges might also be filed against current or former officials of the ministry and the company.

Japan's Health Ministry, acting partly on the advice of the committee headed by Dr. Abe, did not approve the use of blood-clotting products treated with heat to kill viruses until July 1985, two years and four months after such products were approved in the United States.

The hemophiliacs say that the Health Ministry and Dr. Abe ignored the risk of AIDS and delayed the approval to help Green Cross and other Japanese drug companies catch up to foreign companies in developing the heat-treated products. Dr. Abe, a former vice president of Teikyo University, has denied such charges.

Earlier this year, the government, Green Cross and four other pharmaceutical companies agreed to compensate the hemophiliacs or their survivors in a settlement of a seven-year-old lawsuit. But the victims have continued to call for criminal charges to be brought against the individuals responsible.

On Thursday, the hemophiliacs and their attorneys tepidly welcomed the arrest and called for others to be prosecuted as well.

See BLOOD, Page 4

Dow Jones	Trib Index
Down 64.73	Down 0.80%
5647.65	137.15

The Dollar

New York.	Thurs. close	previous close
DM	1.4771	1.4788
Pound	1.5576	1.5585
Yen	108.42	108.455
FF	5.0613	5.06

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

Real Estate 'Vultures' Descend on Paris

Billions of Dollars at Stake as U.S.-Style Bailout Mavens Invade Europe

By Stephanie Strom
New York Times Service

PARIS — The breakfast room at the Grand Hotel Inter-Continental on Rue Scribe in Paris seems an unlikely roost for "vulture" investors.

But on a recent morning there, Squire Junger, the partner in charge of Arthur Andersen's real estate portfolio services group, found himself sandwiched at a table between a covey of bankers from Nomura Securities and a flock headed by Mark Landau from Merrill Lynch & Co.

Later, as he entered the offices of Lazard Freres & Co., he ran into a brood led by Keith Breslauer from Lehman Brothers' European real estate group, and on the way out, his friends from Merrill Lynch again.

Having reaped hefty profits from their bailout of the U.S. property business in the early 1990s, vulture investors with an appetite for troubled real estate are now swooping down on Europe, where banks and insurance companies are showing an increased willingness to unload their bad loans and property.

Right now, the carcass these vultures are circling is a portfolio of some $2 billion in bad mortgage loans on office buildings in and around Paris and obscure property-development projects scattered around France.

The portfolio, one of the largest collections of distressed real estate to ever come up for grabs, is being auctioned off next month by Lazard Freres on behalf of its client, Credisuez, a subsidiary of Groupe Suez.

If the deal is successful, bankers expect it to kick off the biggest real estate feeding frenzy since 1989, when the U.S. government formed Resolution Trust Corp. to sell off billions of dollars worth of bad property investments made by savings and loans.

Already, Whitehall, the immensely successful real estate fund company managed by Goldman, Sachs & Co., has snapped up two smaller loan portfolios and may have acquired others in private transactions.

And all of the other players who made out big buying busted real estate in the United States — Lehman Brothers, Cargill, the J. E. Robert Cos. and Morgan Stanley — have also shown up.

"You're seeing the birth of a market right now," Mr. Junger said. "They're effectively exporting the bailout business, which has been until now primarily an American phenomenon."

And at least for the time being it is still an American phenomenon exported to Europe. European investors have

See PARIS, Page 12

AGENDA

Piece of Titanic to Surface at Last

ST. JOHN'S, Newfoundland (AP) — After 84 years on the ocean floor, a 15-ton section of the hull of the Titanic was raised part of the way to the surface Thursday by salvagers using giant balloons filled with diesel fuel.

After two unsuccessful attempts, an underwater crew freed the huge piece of the liner, and it was lifted more than two miles from the seabed by the flotation balloons. The balloons broke the surface, but the debris remained suspended about 390 feet (120 meters) below, officials said.

About 1,700 people, including three Titanic survivors, watched the salvage operation from two cruise ships near the spot southeast of Newfoundland where the Titanic sank in April 1912. The wreckage will be shipped to Boston on Saturday and exhibited by the organizers of the expedition.

PAGE TWO *Liberia's Feisty Press Endures*

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Burned-Out Paper Bounces Back / **Dodging Militias, Ducking Arrest**

Amid Chaos, Liberia's Feisty Press Endures

By Howard W. French
New York Times Service

MONROVIA, Liberia — When Phillip Wesseh, the 36-year-old editor of one of this city's leading newspapers, set out to inspect his offices during the first lull in the fighting that swept Monrovia in April, he did not expect to be exempted from the destruction. Then again, he did not expect to be totally wiped out either.

While most buildings in the center of town were scarred from the wildly sprayed gunfire and the concussion of shoulder-launched grenades, what Mr. Wesseh found at the Carey Street headquarters of The Inquirer were the ashes of what had been a two-story building.

It would be several more weeks before that first lull would turn into anything resembling a lasting calm, but from the moment he surveyed the wreckage of his paper — which bore all the marks of arson — Mr. Wesseh, one of five journalists who collectively own the five-year-old Inquirer, began plotting its comeback.

Early in August, in what many Monrovians saw as the most hopeful sign of a return to life in this dispirited city, The Inquirer hit the streets again. And with its red banner headline reading "Factions Destroy Monrovia," the 4,000-copy run, dated the April-to-July issue, quickly sold out.

"We were the first independent paper to come out after the press was destroyed in the first phase of the war, in 1990," Mr. Wesseh said, speaking in an unlit room of the paper's headquarters, one of the few whose ceiling was intact. "Most people can't believe that we are back up and running here. We have only got a couple of typewriters to work with, and there is no furniture, but our job is covering the issues, and we'll just have to do our best."

In the days that followed, nearly a dozen Monrovia newspapers — all of them attacked by the country's warring militias — followed The Inquirer's lead and resumed publication.

The story of The Inquirer, like the rest of Liberia's feisty press, is one of repeated collisions between mostly young, poorly paid, but dedicated newspeople, and the dictators and militia leaders who have dominated this country's tragic recent history.

Like many of Monrovia's editors and reporters, Mr. Wesseh cut his teeth at The Daily Observer, the newspaper once run by a legendary Liberian editor, Kenneth Best, who now lives in the United States.

In the 1980s, when almost every country in West Africa was a single-party state with a subservient press, Mr. Best's Observer was a persistent thorn in the side of Samuel K. Doe, the dictator who had seized power in 1980. The price of this flinty independence was repeated attacks and arson by agents of Mr. Doe, and eventually exile from the chaotic civil war that was launched on Christmas Eve 1989 in an attempt to bring down Mr. Doe's government.

"The Observer was closed about five times under Doe," said Stanton Peabody, 65, the newspaper's current editor. "One time it was destroyed, two or three times they set it on fire, another time the whole staff was thrown in jail.

"The problem we face goes way back to an authoritarianism that has its roots in the family structure," he said. "You are supposed to obey, not to talk back to your father."

Mr. Doe was killed in 1990, and since then the man most journalists identify as their most persistent nemesis has been Charles Taylor, the American-educated militia leader who ignited the civil war with his 1989 incursion from the Ivory Coast.

Already Mr. Wesseh has survived several run-ins with Mr. Taylor, who has recently begun trying to reshape his image from faction leader to acceptable presidential candidate.

In the latest incident, shortly before the fighting began for control of Monrovia early in April, The Inquirer ran a headline denouncing "Jungle Justice," a phrase Mr. Taylor had only recently let slip in a warning of what would befall his enemies.

"They came looking for me, but I had received word already," Mr. Wesseh said, referring to the city's police, who are under Mr. Taylor's control. "Since they didn't find me, they decided to arrest some other journalists, but a crowd quickly formed in the street and people started booing. That seems to have stopped them."

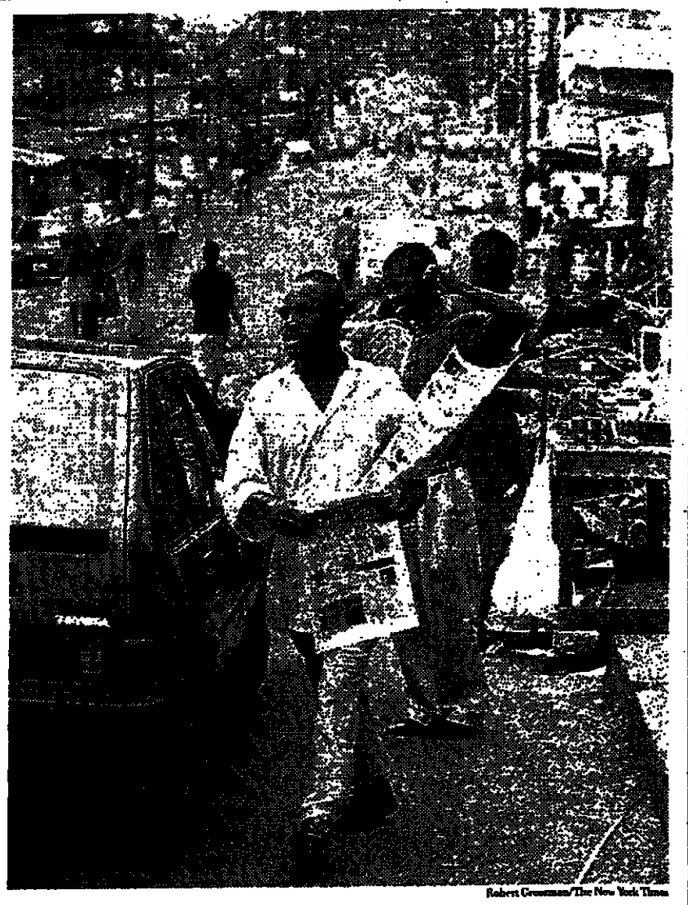
Where Mr. Taylor will not be denied, however, is in his attempt to set up his own media empire to put out the kind of adulatory coverage of his actions that most of this region has begun to reject since the emergence of multiparty politics at the turn of the decade.

With a campaign for the presidency looming next year, Liberian and foreign diplomats say that radio station transmitters, printing presses and generators looted from the offices of independent news organizations during the recent fighting for Monrovia were carted away to territory controlled by Mr. Taylor for use in his anticipated campaign blitz.

If the experience of Mr. Taylor's newspaper, The Patriot, is any indication, however, nine years of dictatorship and nearly seven of civil war have bred in the Liberian people a strong preference for an independent press and objective reporting.

Mr. Taylor's paper, a blazingly colored, neatly produced tabloid, beat even The Inquirer into the streets of Monrovia, but found almost no takers.

"They had a big picture of Mr. Taylor on the cover," said one newspaper editor, who asked not to be identified for fear of reprisal. "The price was 50 Liberian dollars, but nobody was buying it, so they reduced it to 40, then 35. Finally, to avoid embarrassment, they withdrew it from circulation."



Robert Grossman/The New York Times

The press is back in business, which many Monrovians see as the most hopeful sign of a return to life in a dispirited city.

U.S. Plans Canine Bomb-Sniffers for Airports

By Pierre Thomas and Anthony Faiola
Washington Post Service

WASHINGTON— A federal law enforcement agency is developing a plan to train and provide bomb-sniffing dogs for up to 50 of the largest American airports.

This would be another step in the campaign to tighten air-travel security in the wake of the explosion that destroyed TWA Flight 800 in July.

Labrador retrievers, which have highly sensitive noses, could offer a cheap method of increasing protection against terrorist bombs in the near future.

Meanwhile, the government is considering an ambitious, long-term plan for mandatory installation of sophisticated machines to detect devices loaded with explosives.

To purchase and train a dog costs about $8,500, compared with as much as $1 million each for some of the detection machines that are available but could take years to install, say officials familiar with the proposal.

However, some experts argue that dogs alone cannot do the job because they are unable to screen large volumes of luggage as efficiently and are not as effective at scenting the telltale chemicals used in bombs.

If the plan by the Treasury Department's Bureau of Alcohol, Tobacco and Firearms is approved, individual airports would decide exactly how the dogs would be used and how visible they would be to the average traveler.

At present, dogs are available at most major airports but they are generally called in to check aircraft or terminals only when a bomb threat has been made.

Under the proposal, the dogs could make regular patrols in passenger terminals or might be stationed out of public view and sniff luggage before it is put aboard planes, officials said.

The start-up plan, estimated to cost $7 million to $10 million, would significantly expand a canine explosives detection program operated in Front Royal, Virginia, by the Bureau of Alcohol, Tobacco and Firearms.

The bureau has already trained more than 100 Labrador retrievers for Israel, Egypt, Greece and four other countries.

The proposal stems in part from concerns about airport security after an explosion brought down TWA Flight 800, killing 230 people, on July 17. A terrorist bomb is considered among the primary possible causes of the crash.

Anti-terrorism legislation, overwhelmingly approved by the House of Representatives and sent to the Senate on Aug. 2, includes a provision urging airport administrators to "use dogs or other appropriate animals to supplement existing equipment for screening passengers and cargo for plastic explosives and other devices or materials which may be used in aircraft piracy."

During a debate in the House, Representative Dan Burton, Republican of Indiana, said, "The country deserves to have these dogs at every single airport."

In addition, the House has approved an appropriations bill for a test program by the firearms bureau and the Federal Aviation Administration that seeks to combine the expertise of both agencies in using bomb-sniffing canines.

The plan being developed by the firearms bureau requires financing to be approved by the Treasury Department and the Office of Management and Budget.

It calls for hiring additional chemists and instructors to run a 17-week training program for dogs and their police handlers.

The program could train at least 100 to 150 dogs initially, and expand the numbers as needed over time.

The program is built on a simple fact of nature: dogs have noses that are 300 to 1,000 times more sensitive than human noses.

TRAVEL UPDATE

Union Delays Train Strike in Portugal

LISBON (AP) — A national train strike scheduled to start Thursday in Portugal and last nine days has been postponed for 24 hours as railroad management moved toward a compromise with unions, the national news agency Lusa reported.

But Antonio Medeiros, president of the National Train Drivers Union, said the strike would be called off only if an agreement could be reached.

The tropical storm designated Fran strengthened into a hurricane and headed for the eastern Caribbean on Thursday while forecasters waited for Hurricane Edouard to turn north and kept watch on another tropical storm, Gustav. A hurricane watch was posted for the northeastern Leeward Islands, from Antigua to St. Martin.

British Airways has entered a frequent-flier marketing partnership with an Indian private airline, Jet Airways, the airline said Thursday. *(Reuters)*

Iberia plans to start a daily flight from Hamburg to Helsinki and Gothenburg, Sweden, next spring. *(Reuters)*

Seven people suffering from meningitis died and 163 were hospitalized with the disease in Bucharest last month, the Health Ministry said Thursday. *(AP)*

141 Feared Dead As Russian Jet Crashes on Island

The Associated Press

OSLO — A Russian airliner crashed on a remote island mountain Thursday and all the 141 people aboard were presumed to have perished, Norwegian officials reported.

The crash on the Norwegian-adminstered island of Spitsbergen is the latest in a series of crashes that have plagued Russian commercial aviation in recent years. It was the worst airplane disaster ever in Norwegian territory.

In Moscow, the Itar-Tass news agency said the passengers were coal miners on their way to work in Russian-operated mines on the sparsely populated island, as well as 37 women and children in their families. The agency said most were Ukrainians.

Correction

Foreign Minister Tansu Ciller of Turkey was incorrectly referred to as a man in Thursday's editions.

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Education Directory
every Tuesday

For Dogs, It's All a Game

By Barry James
International Herald Tribune

Dogs are widely used by European police forces and customs and military services to search for explosives and drugs, and many airports use them to check baggage, according to an expert at the Kennel Club in London.

The expert, Philip Buckley, said hunting dogs such as Labradors and other retrievers, German shepherds and spaniels are best suited for the task because of their phenomenal sense of smell.

By instinct and training, these hunting dogs sit obediently until a hunter shoots, and then rush to retrieve the game. With sniffer dogs, this retrieving instinct is similar but is channeled into other purposes.

Even an untrained dog has a sense of smell at least 10 times better than that of a human, Mr. Buckley said, and sniffer dogs are many times more effective than untrained animals.

They are trained to select specific molecules, so a dog taught to sniff for marijuana will ignore plastic explosives, and vice versa.

The Belgian police are using dogs to hunt for bodies of missing girls in the child molesting and murder case that has caught the attention of the world.

At the Airports Council International in Geneva, experts said that dogs were considered a low-tech solution, and not one that could be used on its own. Compared with bomb-sniffing machinery, dogs have a serious drawback: a short attention span.

Mr. Buckley said trained dogs are happy to go sniffing for explosives, drugs or any other material provided they see the whole thing as a game.

If they find what they are looking for, they get a reward such as "a smelly piece of liver cake." They are never reprimanded if they fail to find something.

But even with this approach, the dogs tend to lose interest after a while and therefore are not suitable for systematically checking every piece of baggage.

Mr. Buckley said customs agents seeking narcotics use sniffer dogs on flights only when they have evidence or other reason to be suspicious.

It takes three months to train a gun dog to sit and obey, and another year to teach it to recognize specific smells.

Most do the job for three or four years before they tire of it.

By this time, their handlers usually have become so fond of them that the animals are taken home as pets, Mr. Buckley said.

Because of their docile nature, intelligence and ease of training, gun dogs — particularly Labradors — also are particularly suited as guide dogs for the blind, he added.

WEATHER

Europe

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Algarve	26/79	16/61	s	25/77	15/59	s
Amsterdam	19/61	10/50	r	18/61	7/44	c
Ankara	29/79	9/48	pc	28/82	8/46	s
Athens	28/82	21/70	pc	28/82	22/71	pc
Barcelona	19/66	12/53	s	19/66	12/53	s
Belgrade	27/80	14/57	pc	25/77	14/57	sh
Berlin	21/70	13/55	pc	20/68	12/53	c
Brussels	15/59	9/48	r	18/61	7/44	r
Budapest	27/80	18/61	pc	25/77	16/61	t
Copenhagen	21/70	14/57	pc	19/66	12/53	c
Costa Del Sol	29/73	14/57	pc	24/75	15/59	s
Dublin	18/58	9/48	pc	15/59	11/52	c
Edinburgh	16/61	7/44	c	18/61	9/48	c
Florence	23/73	12/53	c	26/79	13/55	s
Frankfurt	23/73	12/53	pc	21/70	11/52	c
Geneva	18/61	9/48	r	19/66	7/44	c
Helsinki	23/73	15/59	pc	24/75	14/57	pc
Istanbul	29/79	18/61	pc	27/80	17/62	pc
Las Palmas	29/79	19/64	pc	23/73	18/64	s
Lisbon	24/75	16/61	s	24/75	15/59	s
London	18/64	9/48	c	14/57	8/46	c
Madrid	25/77	8/46	s	25/77	9/48	s
Mallorca	18/64	13/55	s	18/64	13/55	s
Milan	23/73	11/52	pc	26/79	13/55	pc
Moscow	25/77	16/61	s	27/80	16/61	s
Munich	17/62	9/48	c	18/61	8/46	r
Nice	22/71	14/57	pc	22/71	15/59	s
Oslo	20/68	12/53	pc	19/66	12/53	t
Paris	17/62	8/46	c	17/62	12/53	c
Prague	21/70	9/48	pc	21/70	9/48	c
Reykjavik	11/52	7/44	r	12/53	11/52	r
Rome	29/79	15/59	pc	25/77	14/57	s
St. Petersburg	24/75	16/61	s	26/79	17/62	s
Stockholm	23/73	13/55	s	21/70	13/55	c
Strasbourg	17/62	10/50	r	20/68	7/44	pc
Tallinn	23/73	15/61	pc	24/75	16/61	pc
Venice	22/71	14/57	c	23/73	14/57	r
Vienna	23/73	13/55	pc	23/73	13/55	c
Warsaw	25/77	15/59	c	24/75	14/57	c
Zurich	17/62	10/50	r	18/64	8/46	c

Middle East

Abu Dhabi	37/86	25/77	s	37/86	23/73	s
Beirut	29/84	21/70	s	30/86	22/71	s
Cairo	36/97	20/68	s	36/97	21/70	s
Damascus	34/93	14/57	s	34/93	16/64	s
Jerusalem	30/86	16/61	s	30/86	16/64	s
Luxor	42/107	22/71	s	44/111	23/73	s
Riyadh	40/104	26/79	s	40/104	25/77	s

Forecast for Saturday through Monday, as provided by AccuWeather.

North America Dry and pleasant across the Northwest and the Northeast Saturday through Monday with plenty of sunshine. Some thunderstorms will move across the northern and central Plains Saturday and Sunday, followed by cooler, drier air. Hurricane Edouard will be off the East Coast.

Europe Sunny and warm in Moscow Saturday through Monday. In contrast, windy and cool weather with showers will continue from the Netherlands to southern Sweden and across northern Germany. London will remain dry with some sunshine and temperatures near normal, but it will be breezy Saturday.

Asia Steady, drenching rains will continue across eastern Tibet and northern Myanmar, the source region of the Yangtze and the Mekong rivers. There can also be heavy rains on the central coast of China between Shanghai and Taiwan. Sunny and warm in Beijing, but Tokyo will be humid with showers.

North America

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Anchorage	14/57	9/48	c	14/57	8/46	r
Atlanta	30/86	18/64	pc	28/82	18/64	s
Boston	24/75	17/62	s	22/71	15/59	pc
Chicago	27/80	14/57	s	27/80	15/59	s
Dallas	31/88	20/68	t	30/86	18/64	t
Denver	23/73	12/53	r	28/82	13/55	pc
Detroit	26/79	14/57	s	26/79	15/59	s
Honolulu	33/91	25/77	s	33/91	24/75	pc
Houston	31/88	21/70	t	31/88	19/66	t
Los Angeles	33/91	20/68	s	31/88	19/66	pc
Miami	32/89	25/77	pc	33/91	24/75	pc
Minneapolis	29/84	17/62	s	27/80	16/61	s
Montreal	21/70	14/57	pc	21/70	12/53	s
Nassau	32/89	25/77	pc	33/91	25/77	pc
New York	27/80	17/62	s	27/80	17/62	pc
Orlando	33/91	23/73	t	33/91	22/71	pc
Phoenix	39/102	29/84	s	41/106	28/82	pc
San Fran.	26/79	13/55	s	24/75	15/59	pc
Seattle	22/71	13/55	c	22/71	13/55	pc
Toronto	24/75	15/59	s	24/75	15/59	s
Vancouver	19/66	10/50	sh	20/68	11/52	pc
Washington	29/84	18/64	s	29/82	18/64	s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hco, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
	C/F	C/F		C/F	C/F	
Bali	32/89	22/71	s	31/88	22/71	s
Bangkok	34/93	25/77	pc	33/91	24/75	pc
Beijing	31/88	18/64	pc	29/84	20/68	pc
Bombay	27/80	23/73	r	27/80	23/73	sh
Calcutta	31/88	24/75	t	31/88	24/75	pc
Chiang Mai	34/93	23/73	pc	33/91	22/71	pc
Colombo	29/82	24/75	pc	28/82	24/75	pc
Hanoi	33/91	26/79	pc	33/91	26/79	pc
Ho Chi Minh	33/91	24/75	t	32/89	24/75	t
Hong Kong	31/88	25/77	pc	31/88	24/75	pc
Islamabad	42/107	26/79	s	40/104	27/80	s
Jakarta	32/89	23/73	pc	30/86	23/73	pc
Karachi	31/88	25/77	pc	31/88	24/75	pc
K. Lumpur	31/88	23/73	t	31/88	23/73	t
K. Kinabalu	29/84	23/73	t	29/84	22/71	t
Manila	32/89	24/75	pc	31/88	24/75	pc
New Delhi	41/105	28/82	s	39/100	28/78	s
Phnom Penh	33/91	24/75	t	32/89	24/75	c
Phuket	34/93	25/77	pc	33/91	24/75	pc
Rangoon	33/91	24/75	pc	33/91	24/75	pc
Seoul	28/79	18/64	sh	27/80	17/62	c
Shanghai	28/82	23/73	t	28/78	22/71	t
Singapore	30/86	23/73	t	29/84	23/73	t
Taipei	31/88	23/73	t	32/89	23/73	pc
Tokyo	27/80	22/71	t	29/82	22/71	sh
Vientiane	32/89	27/80	pc	33/99	25/78	pc

Africa

Algiers	24/75	18/64	t	21/70	17/62	sh
Cape Town	22/71	5/43	s	18/64	9/48	pc
Casablanca	21/70	14/57	s	24/75	18/64	pc
Harare	24/75	15/59	r	24/75	14/57	r
Lagos	28/82	25/77	pc	27/80	23/73	r
Nairobi	24/75	13/55	c	25/77	12/53	s
Tunis	28/82	22/71	t	29/78	22/71	t

Latin America

Buenos Aires	21/70	7/44	s	22/71	8/46	s
Caracas	32/89	25/77	pc	32/89	25/77	pc
Lima	19/66	14/57	c	19/66	15/59	pc
Mexico City	23/73	14/57	pc	25/77	14/57	pc
Rio de Janeiro	24/75	19/61	pc	24/75	18/64	pc
Santiago	22/71	6/43	s	21/70	8/46	s

Oceania

Auckland	9/48	2/35	s	10/50	3/37	s
Sydney	16/61	14/57	r	18/64	18/64	r

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Imprimé par Offprint, 73 rue de l'Évangile, 75018 Paris.

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CAMPAIGN '96
The Democrats in Chicago

This Time, Democratic and Republican Women Are Carrying the Ball

By Adam Nagourney
New York Times Service

CHICAGO — When the Republicans convened in San Diego two weeks ago, they presented a procession of more than 40 women in four days, including the keynote speaker, a convention chairwoman and, most memorably, Elizabeth Dole.

As the Democrats closed out the third night of their convention Wednesday evening, they had already marched nearly 50 women across the stage and big screen, including Hillary Rodham Clinton and Tipper Gore.

From the podium to the nation's televisions screens, the Democrats have set out to outmatch the Republicans, woman for woman.

President Bill Clinton's party has presented women discussing everything from assault rifles to tobacco, family leave issues to federal crime legislation — all matters on which Mr. Clinton and his opponent, Bob Dole, have disagreed.

Indeed, whatever public opinion rehabilitation Mrs. Clinton sought from her speech Tuesday night, the address served a bigger strategic purpose for her husband's re-election effort: It was the front edge of a campaign to highlight issues that Mr. Clinton's aides believe give the Democrats a particular, if not always obvious, advantage with women.

From the earliest days of this campaign, Mr. Clinton's often large leads in opinion polls have been helped by his strong support from women — a fallout, analysts believe, of unhappiness among women with the stringent policies advocated by Newt Gingrich, speaker of the House.

In the latest New York Times/CBS News Poll, conducted after the Republican convention, men supported Mr. Clinton over Mr. Dole by a margin of 6 percentage points. Women, by contrast, supported Mr. Clinton by a margin of 16 points.

To a small degree, the aggressive effort to focus on the women's vote this week reflected a tinge of concern among Mr. Clinton's advisers over evidence that Mr. Dole at his convention might have won back some of the Republican women who had drifted to Mr. Clinton's camp.

But more important, Mr. Clinton's advisers are convinced that he cannot win without an overwhelming edge among women.

Both camps believe that the election will ultimately be decided by the women's vote. What is being attempted in Chicago now, said Celinda Lake, a Democratic pollster, is to transform the gender gap "into a gender canyon — and put the race out of range."

So it is that Wednesday night's proceedings were highlighted by five women senators standing together at the front of the hall to cheers, after devoting brief speeches to issues that Mr. Clinton's advisers believe he can use against Mr. Dole with women. Senator Dianne Feinstein of California, for example, discussed Mr. Clinton's support for the assault weapons ban, a ban that Mr. Dole initially opposed.

And those speeches followed the important Tuesday night program in which convention officials rejuggled the schedule to make certain that Mrs. Gore and Mrs. Clinton dominated television prime time.

Mrs. Clinton then used what convention planners expect will go into political history as one of the two most-watched speeches this week, both to offer an often intimate discussion of life with her husband and daughter — drawing an implicit contrast with Mrs. Dole, who is childless — and to list Mr. Clinton's advocacy of bills like one to prohibit hospitals from discharging mothers within 48 hours of giving birth.

The fact that the women's vote is at the center of this election is not a surprise. The divergent voting habits of women and men has been a staple of politics since Ronald Reagan's election in 1980, with women, more often than not, favoring Democrats.

Mr. Clinton's aides believe that a large reason for the Republican takeover of Congress in 1994 was a decline in the turnout of women. These aides hope that unhappiness now with the election result that year will help Mr. Clinton.

What is different, and what has become apparent at this convention, and in Mr. Clinton's campaign thus far, is the extent to which the president's aides have refined the way to appeal to women.

In her speech, Mrs. Clinton never once mentioned abortion rights, an issue customarily associated with politicians' attempts to gain the support of women but which can be polarizing.

By contrast, in recent weeks topics like regulating tobacco have become a staple of Mr. Clinton's campaign and his presidency — because the White House has found that these issues appeal to mothers.

As Promised, Kemp Takes Campaign to Black Voters

By Michael Weisskopf
Washington Post Service

LOS ANGELES — Jack Kemp has made good on his promise to take the Republican presidential campaign into the inner city, preaching his entrepreneurial gospel in the parts of south-central Los Angeles hit hardest by the 1992 riots.

"As Jesse says, 'You can't have capitalism without capital,' " the Republicans' vice presidential nominee told an audience of black business and social leaders, quoting the Democratic civil-rights leader, the Reverend Jesse Jackson, to back his call for easier credit in inner cities.

Mr. Kemp said his running mate, Bob Dole, wanted to take the civil-rights agenda "to a new level of empowerment" based on minority ownership.

"This is a new party," he said of Republicans who historically cede the black vote to Democrats. "This is the GNOP, the Grand New Opportunity Party. Keep your eyes open, your ears open, and your minds open."

Mr. Kemp spoke Wednesday at the Challengers Boys and Girls Club, not far from the worst looting and violence of the 1992 riots that followed acquittals of four white police officers in the beating of a black motorist. Five days ago, Mr. Dole repudiated his party's "missed opportunities" in civil rights in a Nashville speech to black journalists and pledged to compete for the black vote. Mr. Kemp, a Republican liberal on civil rights, promised to campaign from south-central Los Angeles to Harlem.

The visit was a symbolic down payment on that promise. Although Mr. Kemp as housing secretary had toured the neighborhood after the riots and brought President George Bush here for a visit, his strong appeal for votes at the meeting of community leaders and a later tour of a shopping center was rare in modern Republican campaign annals.

Mr. Kemp called for a "new civil rights agenda," as Mr. Dole did last week. But aside from his criticism of affirmative action — "it's not American to take jobs from one person to another" — he proposed only programs long in the Republican quiver, such as tax incentives, urban homesteading and scholarships.

He did everything possible to compensate with personal chemistry. Abraham Lincoln was the only Republican named in a stream of luminaries from Rosa Parks to Nelson Mandela. He brought along a black friend from his football days, the former Baltimore Colt player John Mackey. He quoted John F. Kennedy and the Reverend Martin Luther King Jr., referred to a local pastor as "Rev" and noted that Mr. Dole was the first Republican candidate openly to solicit black votes in the South.

Mr. Kemp's enthusiasm was reciprocated in frequent bursts of applause. A middle-aged man volunteered: "I don't know if you'll get to the White House," but "you've got a lot of soul, man."

■ Democrats' Assessment

Helen Dewar of The Washington Post reported from Chicago:

Four years ago, as Bill Clinton pulled his margin of victory out of the nation's largest metropolitan areas, he did not have to worry about Mr. Kemp or about bitter feelings over his acceptance of a Republican-drafted welfare bill.

Now he does. But not as much as Republicans might hope, according to Democratic mayors, city council members and county officials attending their party's convention here. Many even predict the Clinton-Gore ticket will win more votes in their cities and suburbs as it did in 1992, when the Democratic edge was as much as 3 to 1.

This optimism comes even though Mr. Kemp has a strong and enthusiastic following in many urban areas.

In addition, Democrats acknowledge that Mr. Clinton's signing of legislation to put new limits on welfare and shift responsibility for the program from the federal to state governments has angered many liberals who are among his party's most loyal supporters.

But others, such as John H. Stroger Jr. of Chicago, president of the Cook County Board of Commissioners, and Ed Rendell, mayor of Philadelphia, argue that the political equation in their localities remains unchanged, and that Mr. Kemp lost credibility by backing away from support for affirmative action.

ELECTION NOTES

Gary Hershorn/Reuters

Chelsea Clinton, right, with her mother, Hillary Rodham Clinton, was unusually visible during the Democratic convention in Chicago.

Gore Joins in Fight on Tobacco

CHICAGO — His voice choked and his lips quivering, Vice President Al Gore contributed his personal experience to the Clinton administration's crusade against childhood smoking by describing in detail to the Democratic convention delegates his sister's gruesome death from lung cancer.

His sister, Nancy — who was 10 years older and his only sibling — began smoking cigarettes when she was 13 years old, Mr. Gore said. The family tried to persuade her to quit, Mr. Gore said, "but she couldn't."

In her 40s she contracted lung cancer. Mr. Gore described how he was called to the hospital for the last time one day in 1984 after her condition had taken a turn for the worse. He said: "She couldn't speak, but I felt clearly I knew she was forming a question: 'Do you bring me hope?' "

"But all I could do was to say back to her with all the gentleness in my heart, 'I love you.'

"And then I knelt by her bed and held her hand. And in a very short time her breathing became labored, and then she breathed her last breath."

On television, the cameras focused on delegates who were crying as Mr. Gore continued:

"Tomorrow morning, another 13-year-old girl will start smoking," he said. "I love her, too. Three thousand young people in America will start smoking tomorrow. One thousand of them will die a death not unlike my sister's. And that is why, until I draw my last breath, I will pour my heart and soul into the cause of protecting our children from the dangers of smoking." *(NYT)*

Chelsea Clinton in Limelight

CHICAGO — "Oh, have you seen Chelsea at all tonight?" Hillary Rodham Clinton asked her husband on the telephone on Tuesday night, in a scene broadcast live on NBC News after her speech. "Oh, she looks so pretty."

Americans have seen plenty of Chelsea Clinton this week. Shielded from press and the public for four years, she has emerged, without a public word, as a formidable political weapon for her parents.

For two days she stood and waved beside President Clinton as his train rumbled through the Midwest. Then she came to Chicago for her mother's prime-time television speech.

As Mrs. Clinton repeatedly referred to her daughter — six times by name and several more times by implication — the television cameras darted over and over to Chelsea, clapping and smiling broadly in the stands. "For Bill and me," Mrs. Clinton said, "there has been no experience more challenging, more rewarding and more humbling than raising our daughter."

And, political analysts said, there may be no better testimony than Chelsea, who is 16, to Mr. Clinton's values and maturity — and to Bob Dole's relative age. Mr. Dole's daughter, Robin, by his first marriage, is 41. Bob and Elizabeth Dole have no children.

"It emphasizes the generational advantage that Clinton has in this election," said Alex Castellanos, a Republican media consultant, "that he's going to be looking after kids in the next century.

"And it subtly points out that Bob Dole isn't."

George Stephanopoulos, the senior White House adviser, said Wednesday that it was only natural for Chelsea to attend her mother's address. "I think you would say there was something wrong if she wasn't in the hall," he said. *(NYT)*

Quote/Unquote

Vice President Gore, in his address to the Democratic convention: "Make no mistake: There is a profound difference in outlook between the president and the man who seeks his office. In his speech from San Diego, Senator Dole offered himself as a bridge to the past. Tonight, Bill Clinton and I offer ourselves as a bridge to the future." *(NYT)*

Tomorrow's Party: No Young Bloods

By R. W. Apple Jr.
New York Times Service

CHICAGO — President Bill Clinton arrived in Convention City after a ride on the not accidentally named 21st Century Express. Democratic orators from Hillary Rodham Clinton to Mario Cuomo to Vice President Al Gore picture theirs as the party of the future and the Republicans as prisoners of the past.

"It is easy to understand the nostalgic appeal of the party of memory and the men who lead it," Mr. Gore said in his address Wednesday night. "But let there be no doubt: The future lies with the party of hope."

It is the Republicans, not the Democrats, however, who have the stronger farm teams, feeding young talent up to the big leagues. The Republicans put their young stars on display this month, not the Democrats. And it is the Republicans who propose the more radical program for the new century, not Mr. Clinton, who won in 1992 as the agent of change but seeks re-election in 1996 as a guardian.

Everything's up to date in Chicago, the Democrats say, mocking Bob Dole for recalling fondly, in his acceptance speech two weeks ago, how good things were in the good old days. Let's talk about tomorrow, not yesterday, they say, but except for Mr. Gore, mature for his age at 48, tomorrow's Democratic superstars are pretty hard to name.

Perhaps Senator John Kerry of Massachusetts, 52, might run for president one day, if he survives a difficult re-election fight against Governor William Weld. Possibly Senator Bob Kerrey of Nebraska, 53, or Representative Richard Gephardt of Missouri, 55, though both have already run for president and shown little aptitude for it. Conceivably Senator Bill Bradley of New Jersey, 53, though he is turning away from elective politics.

There are no young Democratic governors to quite match George Bush of Texas and Christine Todd Whitman of New Jersey, the co-chairmen of the Republican convention in San Diego, and there are few Democratic faces in the Senate as fresh as that of John McCain of Arizona, who placed Mr. Dole's name in nomination.

NEWS ANALYSIS

In their determination to accent the future, the Democrats have stripped their convention of history and tradition, as the historian Michael Beschloss commented the other day.

The only living Democratic ex-president, Jimmy Carter, was invited so unenthusiastically and belatedly that he decided not to come, which suited the young Clintonites, who consider him too old, damaged and irrelevant.

Nor has there been much time here for the Democratic pantheon, so often invoked at past conventions — Franklin Roosevelt, Harry Truman, John Kennedy, Robert Kennedy. Not in the prime-time television show, at least. It might be expected that Mr. Clinton, who turned 50 this month, would more or less automatically appeal to younger voters, especially since Mr. Dole is 73. But in fact there is no generation gap, according to recent polls, and anecdotal evidence suggests that in the last decade or so, Republican sentiment among young people has been rising.

If the president is unusually young for his job, and if his staff, all in all, is also much younger than usual, one might ask, why are there not more talented youngsters flocking to the party, running for office, moving up?

There are a few, of course, including a trio of successful black mayors: Kurt Schmoke of Baltimore, Dennis Archer of Detroit and Michael White of Cleveland.

Notable on any short list are sons of Democratic luminaries — Ted Mondale of Minnesota, who plans to run for governor; Andrew Cuomo of New York, assistant secretary of housing and urban development and married to a Kennedy; Representative Jesse Jackson Jr. of Illinois and Governor Evan Bayh of Indiana, who gave a disappointing keynote address Tuesday night.

They give a clue to the party's future: Their fathers are all liberals and they are all New Democrats, except Mr. Jackson, and even he is to his dad's right.

Traditionally, the party's rising young stars have been insurgents, like Hubert Humphrey, the Boy Mayor of Minneapolis in the 1940s, who fought furiously with his Democratic elders on behalf of civil rights. But no more.

Away From Politics

- **A request from Louis Farrakhan,** the Nation of Islam leader, for permission to receive a $1 billion gift from Libya, has been rejected by the U.S. Treasury Department. An official said one reason included the belief Libya is "a strong supporter of terrorist groups." *(WP)*

- **New York City's public schools are so crowded** this year that thousands of their 1.06 million students will report to class next week at such unlikely places as a converted World War II torpedo factory in Brooklyn and a department store in Queens. School officials said the system was more crowded than at any time since the height of the baby boom four decades ago. *(NYT)*

- **With wildfires burning across nearly half a million acres** in the West, the U.S. interior secretary, Bruce Babbitt, said he may send in the Marines to help fight the fires. About 500 army mountain troops were already working the fire lines in Oregon. Referring to the fires, Mr. Babbitt said, "It is going to take an intensive effort." *(AP)*

- **A leading Virginia scientist has recommended** tightening already severe restrictions on oyster harvesting in the Chesapeake Bay and its tributaries. The move would be part of a long-term effort to revive the oyster population, which has been devastated in state waters by two parasites. *(WP)*

CLINTON: *His Top Campaign Strategist Resigns*

Continued from Page 1

charges that were beginning to surface. Mr. Morris then decided to resign.

The New York Post, in an article Thursday, said that Mr. Morris, a married man of 48, had carried on a yearlong affair with the woman, identified as Sherry Rowlands, 37, at the Jefferson Hotel, a few blocks from the White House. The Post based its report on an earlier article by the Star, a supermarket tabloid.

The Post said that Mr. Morris had bragged about how politically powerful he was and had allowed Miss Rowlands to listen in on phone conversations with Mr. Clinton.

The paper reported that last Thursday Mr. Morris allowed Miss Rowlands to read an advance copy of the speech that Mrs. Clinton gave Tuesday night at the Chicago convention and that, on the same night, he read to her a copy of the convention speech that Vice President Al Gore delivered Wednesday night.

Mr. Morris also was reported to have confided to Miss Rowlands that he had nicknamed Mrs. Clinton "The Twister," saying it was because of her tendency to stir things up, and President Clinton "The Monster" because of his quick temper.

When the affair started, Miss Rowlands was a $200-an-hour escort, according to the account in the Star. Later she quit the escort service and started a home and office cleaning service, the newspaper said.

Although the Post reported that Miss Rowlands had pictures and videotape to prove the existence of the tryst, a photograph in the paper that alleged to show his face and the back of her head was extremely grainy and out of focus.

The Post report quoted a Star editor as having said that Miss Rowlands approached the tabloid in mid-July with the story about Mr. Morris.

The Star, based in Tarrytown, New York, earlier paid Gennifer Flowers for her account of an alleged affair with Mr. Clinton when he was governor of Arkansas.

Mr. Morris kept a remarkably low profile, only rarely granting interviews and developing an aura of mystery.

He has advised both Republicans and Democrats during a lifetime as a political consultant.

Yet as a man who has guided the campaigns of such conservatives as Senator Jesse Helms of North Carolina and Senator Trent Lott of Mississippi, his presence so close to the president caused resentment and division among administration aides.

Candace Nelson, a professor of government at American University in Washington, said Thursday of Mr. Morris: "He is a trusted adviser of the president; to lose someone like that is always hard."

But she added: "A campaign can survive, depending on who will replace him and the vision that person has. And to the extent he has put together a campaign plan, and that plan still exists, it can be implemented by others.

"I think, depending on how the campaign handles it, it's a one-day story."

Mr. Morris's name was closely associated with some of the formative decisions Mr. Clinton has made in the last year.

It was Mr. Morris who urged the president to adopt a policy of "triangulation," positioning himself between the political extremes.

He and others pressed Mr. Clinton to take stances on tax cuts, same-sex marriage, school uniforms and television censorship that would pre-empt Republican positions.

Mr. Clinton brought Mr. Morris into the White House two years ago.

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ASIA/PACIFIC

For Kwangju Victims, Chun Sentence Is Vindication at Last

By Sheryl WuDunn
New York Times Service

KWANGJU, South Korea — When paratroopers stormed the city hall here 16 years ago, committing a massacre that has haunted South Korea ever since, Kim Young Chul was deep inside the building, clutching his gun.

Mr. Kim, who was one of the planners of the democracy demonstrations, never got a chance to use his weapon. Instead, he was shot seven times and suffered head wounds. But he is still alive — in a mental institution — and apparently still suffering from the trauma of the experience.

He was in the institution when he heard the news this week that former President Chun Doo Hwan had been sentenced to death for staging a coup in 1979 and brutally suppressing the Kwangju uprising in May 1980.

Mr. Chun for years had been revered as a national hero, and the protesters here were portrayed as Communist rioters.

Now the protesters have become martyrs for democracy, and the former president is a convict sentenced to be hanged.

"We should let him go after about a year, for he has already suffered," said Mr. Kim, 48, who has come to dislike all killing. "There should be forgiveness and reconciliation."

Few people in this southern farming region are as magnanimous as Mr. Kim.

His wife, who delivered milk, sold vegetables and tired herself out at scores of jobs to rear their three children and pay her husband's medical bills, is deeply embittered.

She wants the sentence carried out, and she and others are dismayed that the prison sentence for Mr. Chun's successor, Roh Tae Woo, was 22½ years and not longer.

For people in Kwangju who have fought for 16 years to tell their version of the massacre and to see those responsible be punished, this is a moment to remember. The massacre was a pivotal event in modern Korean history, nurturing radicalism and anti-Americanism for a generation.

In the spring of 1980, protesters in Kwangju broke into armories, stole weapons, and briefly gained control of the city. After 10 days of protests, the army invaded with tanks and machine guns.

The government said the death toll was 193, but it eventually agreed to compensate the family members of 288 victims of the massacre. Twenty-three soldiers were also killed, some by protesters.

An opinion poll at Seoul National University once asked students to name the greatest calamity in Korean history since 1945. The professor who planned the poll assumed the students would choose the Korean War, but they overwhelmingly cited the Kwangju massacre.

At Mangwoi Dong cemetery, where many of the victims are buried, visitors from all over the country come to pay tribute and gain a greater understanding of the event that has been at the center of South Korean politics for the last 16 years. For years after the massacre, those who ordered it served in the top leadership, while those who had protested were denounced as Communists or rioters.

Park Soon Lae, 63, whose son was killed by paratroopers, helped start one of the first organizations to fight the government on behalf of bereaved parents. But for years, every time Mr. Chun paid a visit to Kwangju, more than a dozen police officers would be stationed outside her house to prevent her from staging protests.

"I clapped when I heard it," Miss Park said of Mr. Chun's sentence. "I said, 'This is one day I feel I am really alive.'"

But like other people here, Miss Park said the punishment did not ease the pain and talk of a pardon was disconcerting.

India Reassured on Investment

Briton Doubts Retaliation for Veto of Nuclear Treaty

Compiled by Our Staff From Dispatches

NEW DELHI — India's economic ties to Britain will not be hurt even if the government continues to balk at a treaty imposing a global ban on nuclear tests, the British foreign secretary said in New Delhi on Thursday.

"Our bilateral relations will not be affected by whatever decision India might reach on the matter," the minister, Malcolm Rifkind, said on the second day of a three-day visit to India.

"I don't see that as remotely relevant to the question that we are addressing," he replied when reporters asked if Britain favored punishing India for its opposition to the pact.

But Mr. Rifkind said that the Comprehensive Test Ban Treaty needed to have universal support or the cause of nuclear disarmament could be set back.

India singlehandedly blocked adoption of the treaty in Geneva this month, arguing that the wording of the accord perpetuates "nuclear hegemony" because it does not bind the five declared nuclear powers — the United States, Britain, France, Russia and China — to disbanding their arsenals.

After India scuttled two and a half years of negotiations, countries favoring the treaty said they would take the draft to the UN General Assembly next month in an attempt to have it endorsed by a majority there.

Mr. Rifkind met India's foreign minister, Inder Kumar Gujral, to talk about the treaty Thursday.

"We want to see if differences of view are bridgeable or unbridgeable," Mr. Rifkind said. "If success if possible, it will take time and will be difficult."

Concern has been voiced here that disagreement with powerful Western countries will reduce investment that India needs to upgrade its roads, ports, education and health care system.

Mr. Rifkind said, however, that he did not expect any damage in bilateral relations with India because of the veto of the treaty, which Britain supports.

On another matter, he said that Britain wanted India to permit official international observers to monitor local elections next month in Kashmir but that New Delhi had refused to admit any.

A spokesman for the government of Jammu and Kashmir state said Wednesday that foreign individuals would be allowed to observe assembly elections, which start Sept. 7, but that teams of official observers — the usual monitors of disputed elections — would be barred.

"We would certainly like to see observers present," Mr. Rifkind said.

He added that Britain would watch the elections, the state's first since a separatist revolt began in 1990, with interest to see if they were free and fair.

On his first tour of South Asia, the foreign secretary flew to New Delhi from Pakistan on Wednesday and was scheduled to leave Friday for Sri Lanka. *(AP, Reuters)*

Ajay Bakil/The Associated Press

DIGGING OUT OF THE RUINS — An Indian soldier crawling out of the debris of a security center in Srinagar that was bombed by Kashmiri separatists on Thursday.

BRIEFLY

No Russian Funds For 'Poachers'

VLADIVOSTOK, Russia — A senior military officer said Thursday that Russia would not compensate Japanese fishermen who were wounded when a Russian patrol vessel opened fire on their boats, describing the fishermen as poachers.

General Vitali Sedykh also told the Japanese consul, Hirose Tetsuya, that he would use any means necessary to stop Japanese fishing vessels from violating what he called Russian territorial waters.

Russian border guards opened fire Wednesday on two Japanese fishing boats that were between Japan's northernmost main island of Hokkaido, about 1,030 kilometers (640 miles) northeast of Tokyo, and the Kuril islands, which are held by Russia.

Japan claims the Kurils, which were seized by Soviet troops in the final days of World War II. The dispute has long marred relations between Russia and Japan. *(AP)*

Ieng Sary Curbed

PHNOM PENH — Cambodian officials said Thursday that Ieng Sary, the breakaway Khmer Rouge leader, must make peace and re-enter society before he will be allowed to form a political organization.

"Ieng Sary can have whatever he likes but he can't do it now," Defense Minister Tea Banh said.

Mr. Ieng Sary and other Khmer Rouge dissidents, who left the guerrilla group earlier this month, risked jeopardizing negotiations with the government if they set unacceptable conditions for a peace deal, the officials said.

Mr. Ieng Sary announced Wednesday that he wanted peace and reconciliation with the government, was loyal to the king and was setting up his own political organization. *(Reuters)*

Megawati Suit On

JAKARTA — Judges hearing a suit by Megawati Sukarnoputri, the Indonesian opposition leader, said Thursday that the case should proceed since the contesting parties failed to reach an out-of-court settlement.

Mrs. Megawati filed the 51 trillion rupiah ($21.77 billion) suit against the government, military and party rivals, saying that her ousting from the Indonesian Democratic Party leadership at a meeting in June was illegal.

The case was adjourned to Thursday when Mrs. Megawati's legal team is expected to respond to defendants' statements. *(Reuters)*

Sri Lanka Attack

COLOMBO — Tamil rebels ambushed a police patrol in eastern Sri Lanka early Thursday, killing at least 29 persons, including 25 policemen.

The attack was the largest rebel assault in more than a month. Fighting slowed after thousands died on both sides when the guerrillas overran a northern military base.

Four civilians were also killed in the attack on the patrol near the ethnic Sinhalese village of Kudapokuna, east of Colombo. *(AP)*

VOICES From Asia

Chiang Chung-ling, Taiwan's defense minister, stressing the need to upgrade armed forces to counter military threats by China: "The Chinese Communists have not abandoned their attempt to invade Taiwan and their missile tests in March this year fully demonstrated their ambition to send military forces to the island." *(AFP)*

Nur Misuari, leader of the Moro National Liberation Front, who has been negotiating for peace in the southern Philippines with the Manila government, saying that he was confident other rebel groups would join the pact: "I don't see any reason they shouldn't cooperate. I don't see any reason why they should persist in making war when there is an opportunity to make peace." *(AFP)*

Trade Is Secure, China Tells Taiwan

Compiled by Our Staff From Dispatches

BEIJING — President Jiang Zemin of China and a senior Taiwanese official agreed Thursday that severe political tensions between the island and the mainland should not damage economic ties.

"We maintain that political differences should not be allowed to affect and interfere with economic cooperation between the two sides," Chinese state radio quoted Mr. Jiang as saying to a delegation of visiting Taiwanese business leaders.

The economies of China and Taiwan are complementary, Mr. Jiang said, adding that the two sides should strengthen economic cooperation for the benefit of all.

"We will continue to carry out our long-time policy of encouraging Taiwanese businessmen to invest," Mr. Jiang was quoted as saying. "No matter what the circumstances, we will protect all legitimate rights of Taiwanese investors."

Kao Chin-yen, a member of the governing Nationalist Party's top decision-making body, said he hoped that direct trade between the two sides could begin soon. Currently, the two countries trade through Hong Kong and other third parties. Last year, such exchanges totaled $28 billion.

The seeming accord and conviviality of the meetings, which were shown on Chinese national television, are the strongest signs to date that both sides may be seeking to forge ahead economically, despite the political deadlock.

The delegation of nearly 80 Taiwanese business leaders, politicians, and economic officials arrived in Beijing on Tuesday for a high-profile visit.

Mr. Kao is the most senior Taiwanese official to visit the mainland since China began nine months of intermittent missile tests and war games near the island in July 1995.

He said that he had not discussed politics with Mr. Jiang, only economics.

"The most important thing for the two sides is not politics, but economic and trade issues," Mr. Kao said after the meeting at the Great Hall of the People in the Chinese capital.

Taiwan has banned direct trade, transport and mail links with China since 1949, but indirect trade and investment have been allowed since the late 1980s.

Mr. Jiang said China had always sought to speed up the establishment of direct trade and transport links with Taiwan.

Beijing has stepped up pressure on the island to lift the ban. Last week it unilaterally announced a set of regulations intended to pave the way for direct links.

Many Taiwanese businessmen, who have poured more than $20 billion in investments into China, are eager for direct trade and transportation links, but Taiwan has been reluctant to remove the curbs, which it views as its last bargaining chip in talks with the Communists. *(AP, Reuters)*

BLOOD: *Japan Arrests Physician*

Continued from Page 1

"It has taken too long," said Tsutomu Shimizu, one of the attorneys.

"The arrest has come only after more than 10 years since the incident was uncovered and only after the death of more than 400 people." He added, "But Abe is not the only person responsible."

Still, it is not clear how far the investigation will go. Dr. Abe, who is 80, was arrested Thursday not for his role in the broader scandal but in connection with a specific case involving one of his own patients who died of AIDS in 1991.

The mother of the patient had filed a complaint seeking murder charges against Dr. Abe. Prosecutors instead charged Dr. Abe with professional negligence leading to death, a charge that carries a maximum penalty of five years in prison.

Prosecutors, who escorted Dr. Abe from his home at 5:30 Thursday morning, said the physician should have known about the risk of AIDS by mid-1985, when the unsterilized blood products were given to the patient.

The raid at Green Cross also followed a complaint from the family of a person who died of AIDS, seeking murder charges against Renzo Matsushita, the former president of Green Cross, for continuing to sell nonheat-treated blood products even after the heat-treated ones had been approved.

Public outrage about the AIDS case might have prompted the prosecutors to become more aggressive, leading to Thursday's arrest.

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EUROPE

African Affair May Weaken Juppe as Social Tension Mounts

By Joseph Fitchett
International Herald Tribune

PARIS — A six-month showdown with African illegal immigrants has revived doubts about Prime Minister Alain Juppe's ability to handle social tensions adroitly — just as his government faces looming discontent on a broad front as France goes back to business after the summer lull.

The confrontation culminated last weekend, when police smashed into a Paris church and hauled away more than 200 protesters, including 10 men who had been on a hunger strike for nearly two months. Out of the group, most of whom were Malians, six have been deported, including two on a government-chartered plane that landed Thursday in Bamako, capital of the former French colony of Mali.

Most of the other protesters are in legal limbo — some of them in hiding — after French courts ordered their temporary release on technicalities, including sloppy police paperwork.

That outcome fits the government's vow during the confrontation to be "firm but fair" in enforcing France's immigration laws, a formula that in practice meant a police assault on the sit-in followed by a case-by-case judicial review of the Africans' appeals for papers legalizing their presence. So far, about 70 have been given residence permits, and the government says it will round up and deport all who are turned down by the courts.

As a result, Juppe aides asserted Thursday that the government succeeded in widening its support among French voters with a stance that reached out both to the extreme right and some centrists by tempering firm resolve with humanity.

But other politicians, including many in the government camp, privately take a harsher view, agreeing that, yes, the government eventually did what it had to do, but quickly adding that bad crisis management inflated the episode's importance and undermined the Juppe team's authority.

Polls, which show French people about evenly divided about the outcome of the episode, fail to register that current of doubt among the conservatives who approve of the outcome but worry about the government's performance.

Mr. Juppe himself stands to reap most of the praise or blame because he has come to be seen in French political circles as a prime minister who, under

NEWS ANALYSIS

President Jacques Chirac, has pointedly concentrated government authority in his own hands, overshadowing to an unusual degree his own cabinet ministers' roles and visibility.

"It augurs ill about his political skills and ability to keep the lid from blowing off as protests boil up this fall," said a European ambassador in Paris.

Mr. Juppe's aloof, rigid demeanor was widely blamed for painting the government into a corner last fall in seeking to cut the benefits of railroad and other public sector workers, helping precipitate a standoff that paralyzed the nation's economy for a month.

Conscious of Mr. Juppe's image, one of his aides said Thursday that the outcome of the immigrant episode was "good, not good and no good," depending on which aspect proves most significant as the government faces tests in the coming weeks.

Internationally, the French stand seems likely to be received sympathetically by Germany and other European Union governments, all of which seek backing for their own efforts to cope with the charged issue of immigration, diplomats said Thursday.

Domestically, the good aspect for the Juppe government is that France will clarify its immigration laws, a step that could improve enforcement and ease tensions on the issue.

The "not good" aspect, officials conceded, was the renewed suggestion that Mr. Juppe lacks compassion. That stems from a government miscalculation in letting the crisis fester and hoping to wait out the hunger-strikers, they said. Instead, the strikers' predicament assumed dramatic proportions.

In addition, the government seems to have fallen short if it had any hopes of outflanking anti-immigrant groups such as Jean-Marie Le Pen's National Front. Le Pen partisans have complained that the outcome, including concessions to some Africans on humanitarian grounds, will not deter clandestine immigration by Africans or Muslims from North Africa.

Worst of all, the Juppe aide conceded, the episode was "no good" because the government, through poor timing and poor communications, created a humanitarian cause that leftist opposition groups were quickly able to exploit. French commentators warned that this could prove a major misstep if it stokes the opposition's confidence in being able to forge a common front to challenge Mr. Juppe's economic policy. Resisting planned budget cuts, farmers, teachers, the Socialist opposition, trade unions and public sector workers have all scheduled protest actions starting next week.

Mitterrand Is Accused Of Approving Sinking Of Greenpeace Ship

International Herald Tribune

PARIS — The French espionage operation in 1985 that sank the Rainbow Warrior, the Greenpeace ship in New Zealand protesting French atomic tests, was carried out with the approval of President Francois Mitterrand, according to an expert on terrorism who has worked in undercover presidential missions.

In a book appearing Friday, Captain Paul Barril quotes telephone taps and a secret memorandum from the head of French intelligence to back up his accusations about Mr. Mitterand's complicity.

The book, "The Elysee's Secret Wars," reproduces a secret message in which Admiral Pierre Lacoste, the intelligence head who resigned over the affair, describes a meeting with Mr. Mitterrand at which the mission was approved.

— JOSEPH FITCHETT

Tories Lose Face With Ad Of Wild-Eyed Tony Blair

By Sarah Lyall
New York Times Service

LONDON — The Conservatives thought it would be snappy. They thought it would be pithy. And they thought, in the words of Defense Secretary Michael Portillo, that their latest anti-Labor advertisement would strip away their chief political opponent's cheery facade and "reveal what lies beneath."

But the party was in for a rude shock after it proudly presented its latest Maurice Saatchi-designed advertisement in three national Sunday newspapers this month. The advertisement featured the newest Tory slogan, "New Labor, New Danger," along with a picture of Labor's leader, Tony Blair, as a demi-demon — his eyes red and glinting, his grin made to look like a sneering grimace.

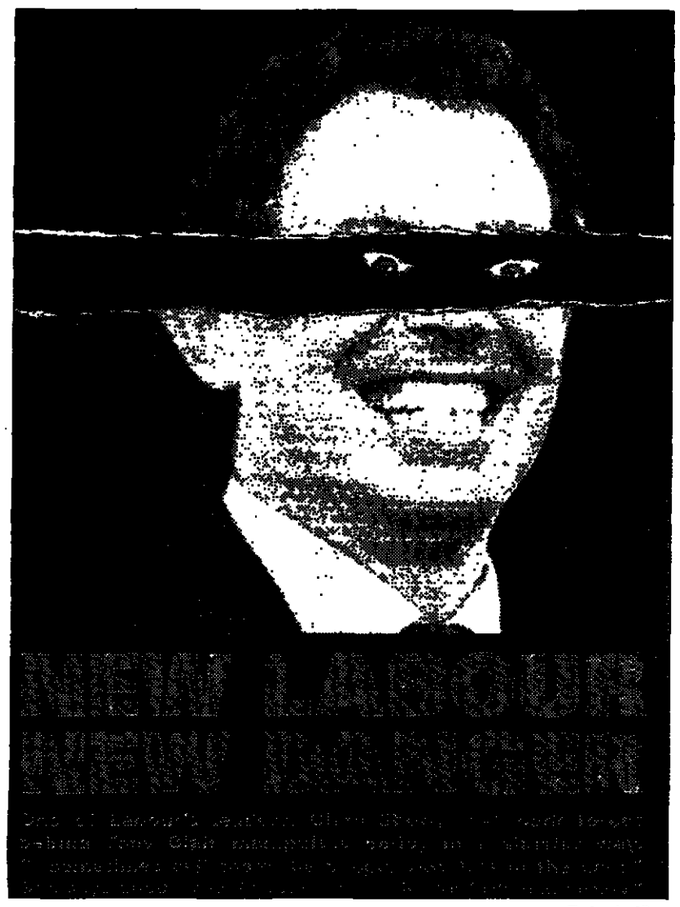
If the advertisement was designed to cause a stir, it did.

But most of the stir was negative. First, several religious leaders denounced the advertisement as sacrilegious, even satanic. Then some Tory backbenchers said they, too, found it offensive. Then the actor whose eyes were used announced that he had not agreed to having his eyes turned upside down and colored red — and that he planned to vote Labor anyway.

Perhaps most wounding for the Conservative government of Prime Minister John Major, straggling more than 20 points behind Labor in national polls, was that the country's powerful advertising watchdog, the Advertising Standards Authority, banned the advertisement because it represented a harsh personal attack.

The furor was another pre-campaign embarrassment for Mr. Major's government as his party struggled to build up momentum before the next general election, which must be held by May.

An earlier effort to ridicule Labor's new manifesto, a fat document outlining the opposition's platform, ended with a whimper when the Tories presented a parody that turned out to be longer and even less interesting than Labor's original.



The Associated Press

This Tory ad depicting Mr. Blair with "demon eyes" has been banned.

Writing in The Times of London, Mr. Portillo defended his party's approach, saying the red eyes were not supposed to evoke direct comparisons between Mr. Blair and the devil but rather to show the Labor Party "eyeing your money, your job and your mortgage."

But that did not persuade people like the Bishop of Oxford, the Right Reverend Richard Harries, who described the practice of "vilifying members of other political parties" a "puerile exercise."

Some commentators saw the ferocious "demon eyes" as a slide down the road to thoroughly negative advertising, while others said the strategy would not prevail.

"It's unprecedented outside an actual election campaign for one party to launch such a personalized attack on the leader of another party," said Michael Hart, a fellow in politics at Exeter College, Oxford. "This will only herald a new type of negative campaign if this is seen to be working, and so far, it isn't."

Bosnian Serbs Attack a UN Police Post

Incident Follows U.S. Troop Intervention to Protect Muslims in a Nearby Village

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — A crowd of Bosnian Serbs, backed by armed Serbian policemen, surrounded a United Nations police station Thursday, smashing UN vehicles and threatening UN police officers after U.S. troops halted a Serbian attack on unarmed Muslims in a village in northeastern Bosnia.

The attack on the Muslims constituted one of the worst incidents of violence since the Dayton peace accord was signed in December. Uniformed Bosnian Serb policemen swept through a Muslim hamlet, beating unarmed civilians who were trying to move back to their homes. Then U.S. soldiers flooded the area to intervene, detaining 35 of the Serbs and seizing their weapons.

At least 10 Muslims were injured. Muslim radio reported that one of the injured had died, but the report could not be confirmed.

After the U.S. troops detained the Serbian policemen in Mahala, a village near the U.S. Army base in Kalesija in northeastern Bosnia, a Serbian mob gathered outside the offices of the UN police in Zvornik, a Serb-held city about 50 kilometers (30 miles) to the east.

The crowd in Zvornik was backed by Serbian police officers, who pointed their weapons at two UN policemen who were trying to leave the building, a UN spokesman said.

The spokesman said five UN officers were in the building, the Hotel Drina, in Zvornik. U.S. forces later released the policeman they had detained in Mahala, defusing the situation.

A U.S. Army major, Tom Moyer, said the Serbian police attacked the village shortly before 11 A.M. and that gunfire stopped when two U.S. Army attack helicopters buzzed the village.

U.S. troops moved into the town and rounded up the policemen, seizing three automatic rifles and a tear gas grenade.

The violence comes as Bosnia is preparing for nationwide elections on Sept. 14, and Western diplomats have warned that ethnic strife could damage the prospects for a smooth vote.

Municipal elections have already been canceled because of irregularities in the registration process.

French Breeders Search Trucks for Illegal Imports

Compiled by Our Staff From Dispatches

PARIS — Thousands of farmers hit hard by the "mad cow" crisis blocked major highways throughout France early Thursday and searched all passing refrigerator trucks for illegal beef imports.

A spokesman for the farmers' union said the "commando operations" by an estimated 15,000 farmers stopped about 2,000 trucks but found no proof of illegal imports.

"The majority of the cargoes were legal but a minority are still being held and will be turned over to local authorities," said Luc Guyau, president of the National Federation of Breeders and Farmers' Unions.

French farmers have violently protested the drop in beef sales since Britain announced the discovery of a probable link between bovine spongiform encephalopathy, or mad cow disease, and its fatal human equivalent, Creutzfeldt-Jakob Disease.

Cattle breeders from the Vienne region marched their cows into Paris and planned to walk into the courtyard of the presidential Elysee Palace on Friday to protest the fall in prices. Jacques Chirac, who is a former agriculture minister, reportedly will receive them.

The European Union imposed a ban on British beef in March but has since agreed to lift it gradually. The European Commission said Thursday it would study scientific reports, released Wednesday, that said Britain's mad cow epidemic would die out by 2001. But it offered little prospect that the findings would change a negotiated slaughter campaign.

A commission spokesman said the scientific and veterinary committee would examine the reports. *(Reuters, AP)*

BRIEFLY EUROPE

Walesa Comes Back As a Campaigner

SZCZECIN, Poland — Lech Walesa emerged from Poland's political shadows Thursday to back the Solidarity union's campaign in parliamentary polls next year, but made clear he would not run for election himself.

"I am putting myself at its disposal, with my contacts in this country and abroad," Mr. Walesa said. But "not for my own benefit," he told an opposition rally in the northern port city Szczecin. "I will be neither a lower house deputy nor a senator."

Mr. Walesa led the creation of Solidarity as the Soviet bloc's first free trade union 16 years ago, but after steering it to victory over communism in 1989, he quit to become Poland's first democratically elected president. Since his defeat last November in presidential polls, Mr. Walesa has kept a low profile. *(Reuters)*

Abortion in Poland

WARSAW — Poland's left-dominated Parliament drew closer Thursday to liberalizing a restrictive abortion law, despite opposition from the Roman Catholic Church and its political allies.

A bill, backed by the dominant former Communists in the governing coalition and a leftist opposition party, would allow women to end pregnancies before the 12th week if they could not afford to raise a child or had other personal problems.

The present law, passed in 1993, allows abortions only if the pregnancy threatens the woman's life or health or results from rape or incest or when the fetus is irreparably damaged. *(Reuters)*

Corsica Bomb Blast

AJACCIO, Corsica — Separatists bombed a government office on the French Mediterranean island of Corsica on Thursday despite fresh warnings of a crackdown by Paris, the police said.

In the latest of a series of attacks, a bomb damaged Agriculture Ministry offices in the center of Ajaccio, they said. The blast, just 50 meters from a police station, followed by a day a warning by Paris of a new "get-tough" toward separatists. *(Reuters)*

Swiss Denounced

MOSCOW — The party of the Russian nationalist politician Vladimir Zhirinovsky denounced Switzerland on Thursday as "the center of the criminal world" after he was refused a visa.

The Swiss Embassy confirmed that Mr. Zhirinovsky had been refused a visa, but declined to comment further. A statement from his Liberal Democratic Party claimed he was refused a visa because he had exposed alleged attempts by Swiss and Russian businessmen to "pillage Russia." "Switzerland is the center of the criminal world," it said. *(AP)*

Mass Graves Found

ALGIERS — Seven mass graves of victims of Islamic extremists have been found in Algeria, press reports said Thursday.

Four graves were discovered at Ouled Allal, southeast of Algiers, and three others were found at nearby Ouled Slama. *(AFP)*

VOICES

Militia Split Over Killing In Ulster

Agence France-Presse

BELFAST — Bitter dissent surfaced among Protestant unionists Thursday after militia leaders warned two mavericks linked to the murder of a Roman Catholic to get out of Northern Ireland in 72 hours or die.

The threat was issued after Billy Wright, a local Ulster Volunteer Force chief in central Ulster, refused an order to disband his unit after he was detained in the killing of the Catholic taxi driver last month.

Mr. Wright was detained with another man after the July 7 killing at Lurgan, west of Belfast, where violent demonstrations had broken out following a Protestant Orange Order march.

He was later released without charges. The Ulster Volunteer Force denied any responsibility for the killing, but ordered the local unit to be disbanded.

A statement issued late Wednesday by the Combined Loyalist Military Command, which groups most loyalist, or pro-British, paramilitaries, ordered Mr. Wright out of the province.

It said the second man, not identified, must also leave within 72 hours of his release from police custody. "Failure by either man to comply with this directive will result in summary justice for their treasonable and subversive activities," it added.

Mr. Wright said he would defy the warning

Molesters as Mr. Average

Compiled by Our Staff From Dispatches

STOCKHOLM — The average pedophile does not look like the monster many believe he is, experts at an international conference on child sex abuse said Thursday. In fact, he usually looks more like the man next door.

A typical profile shows the sex offender is usually conservative and often works in a caring profession, they said.

"Abusers look the same as all of us," Ray Wyre, of Britain's Lucy Faithful Foundation, a clinic to rehabilitate sex offenders, told the first World Congress on Commercial Sexual Exploitation of Children attended by more than 1,000 delegates from 130 countries.

Conference delegates also criticized the media for encouraging the use of child prostitutes by carrying advertising using youngsters' sexuality to promote products.

"Increasingly, we see images of young children whose sexuality is used to sell products in the advertising market and to titillate and to tease," said the British actor Roger Moore, who is a goodwill ambassador for the United Nations Children's Fund. "Even nonchild models are increasingly chosen for their childlike bodies. The line between sexually ready and way too young is being lowered."

Mr. Moore told the delegates that when the film "Lolita" first appeared in 1962, depicting the relations between a 12-year-old girl and a lodger in her family home, it was scandalous.

"Now we see Lolitas everywhere," he said.

Producers of a remake of "Lolita" said Thursday that several U.S. distributors were interested in releasing the film, despite a storm of criticism.

An executive at Pathe Co. in Paris said the worldwide outrage at child sex crimes had nothing to do with the new adaptation of the 1955 Vladimir Nabokov novel. *(Reuters, AFP, AP)*

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Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Russia's Immoral War

Former General Alexander Lebed, the Kremlin's independent-minded national security adviser, has succeeded in establishing a cease-fire that appears to be holding in the breakaway region of Chechnya. After 20 months of war, 35,000 deaths and numerous failed cease-fires, this is no small accomplishment. But the truce remains fragile. It must be backed up, and soon, by a longer-term peace settlement. That, in turn, requires the involvement of President Boris Yeltsin, who has remained perniciously uninvolved thus far.

On one level, the cease-fire represents nothing more than an acknowledgment of Russia's defeat. Mr. Yeltsin sent troops into the Caucasus province 1,000 miles south of Moscow in December 1994, expecting them to quickly crush a corrupt separatist regime that had blossomed in the post-Soviet chaos. But despite an overwhelming advantage in manpower and firepower, the Russian Army could not overcome the Chechen guerrilla fighters. In spite and frustration, it adopted a scorched-earth policy that destroyed many cities and villages and turned more than half the population into refugees. But earlier this month, Chechen fighters managed to recapture Grozny, the capital, from demoralized, underpaid, underfed Russian troops.

Now Russian soldiers are pulling out of Grozny as well as southern Chechnya, leaving the insurgents in control. Mr. Lebed is coming under attack from nationalists in Russia for arranging the withdrawal, and many of his generals soon may be chafing to resume their bombing campaign. Only Mr. Yeltsin can provide Mr. Lebed the political cover he needs to proceed further.

Several theories offer explanations as to why Mr. Yeltsin stays silent. Some people believe he is too sick. Others think he is holding back to see whether Mr. Lebed's efforts succeed, so as not to associate himself with failure. Most disturbing, Mr. Yeltsin simply may not want to give the ambitious Mr. Lebed a career boost; he may be valuing palace politics above the chance to secure a peace.

That would indeed be tragic, because many observers believe a real peace is well within reach. Terms of a settlement could call for limited sovereignty for Chechnya during an interim cooling-off period, to be followed by a referendum within Chechnya itself. Contrary to some nationalists' assertion, the integrity of the Russian Federation is not threatened by such an outcome; what really threatens Russia today is the sapping, immoral war.

—THE WASHINGTON POST.

Bosnian Elections

Campaign intimidation and fraudulent voter registration in Bosnia have reached the point where minimally acceptable conditions for national elections on Sept. 14 no longer exist. The voting should be postponed 30 days and more active steps taken by NATO forces and civilian election supervisors to remedy the worst abuses by mid-October.

On Tuesday the chief international election supervisor for Bosnia, Robert Frowick, postponed voting for municipal officers also scheduled for Sept. 14, citing a pervasive pattern of misconduct. The same problems taint the national, regional and presidential elections, which he did not reschedule. They threaten to turn what was supposed to be an exercise in democracy into a ratification of ethnic bullying.

For a time it looked as if the election process could be cleaned up enough to go ahead on schedule. That would have met the timetable spelled out in the Dayton peace agreement and allowed new Bosnia-wide institutions to begin functioning well before NATO troops and civilian monitors are scheduled to withdraw in December. But such optimism is no longer sustainable. The Serbian, Croatian and Muslim nationalist parties now entrenched in their respective parts of Bosnia have fatally compromised the credibility of a mid-September vote.

Party-controlled newspapers and radio and television stations are fanning ethnic hatreds and spreading slanders against rival groups. Thugs are breaking up opposition rallies and threatening opposition candidates and their supporters. In Bosnian Serb areas, some of the same individuals and groups that directed the war seem to be dominating the electoral process.

Bosnian Serb leaders like Radovan Karadzic, though ostensibly sidelined, see the elections as a way to ratify their wartime conquests and are eager for them to go forward quickly. Party activists loyal to Mr. Karadzic, working in conjunction with the government of Slobodan Milosevic in Serbia, have coerced Bosnian Serb refugees into registering to cast their votes in formerly Muslim towns, hoping to overwhelm the votes likely to be cast by Muslims evicted from these same localities.

Bosnia's president, Alija Izetbegovic, seems to fear that honest elections could dilute his Muslim nationalist party's monopoly of power in government-controlled areas. His government has blocked the operation of the independent broadcasting network designed by international authorities to allow independent candidates to be heard.

It will take until mid-October to create the minimal conditions for an internationally credible election to proceed. Mr. Frowick's civilian election supervisors and NATO troops should use this time to rerun the voter registration process under much tighter international control. They should guarantee physical protection to opposition rallies, using armed NATO troops if necessary. NATO should also provide physical protection for the establishment and operation of an independent broadcasting network under international control.

If Bosnia's voters freely return ethnic fanatics to office, that is their choice. But citizens should be able to choose from a wide spectrum of candidates in a climate free of intimidation and coercion. The United States and the international community, for their part, should not have to defend the credibility of an election that Bosnians can see for themselves has been shamelessly manipulated.

The Dayton agreement provides for the use of NATO forces to produce secure conditions for, among other things, the conduct of free and fair elections. NATO's main job — disengagement of the warring armies — has been accomplished. It would not unduly add to the burden or risk of the troops to ask them now to provide security for candidates and voters. There is unlikely to be long-term peace in Bosnia without credible elections.

—THE NEW YORK TIMES.

Other Comment

Redress for Abductions

During World War II, the Roosevelt administration ordered the abduction and detention of more than 2,200 people of Japanese ancestry from 13 Latin American countries, mostly from Peru. There appeared to be no compelling reason for the sweep, save for the dubious possibility that they constituted a military threat. Peru had no role in the conflict. Now, at least 300 survivors of this bizarre episode are seeking an official letter of apology from the U.S. government and a modest monetary compensation. They deserve it. The United States can do no less.

The episode began in 1942, the year that the government began rounding up Japanese-Americans in Southern California and elsewhere on the West Coast and interning them in rough, remote camps. Later the sweep was broadened to South America, and for the next three years, affluent Japanese businessmen and community leaders and their families, with the apparent consent of South American authorities, were taken to the internment camp, in Crystal City, Texas. Some lived there until 1948.

A small number of Peruvian Japanese who had become legal residents of the United States before 1946 did receive redress payments in 1990, when onetime Japanese-American internees finally were compensated by Washington. But some of the Latin American-based Japanese families never became legal U.S. residents and thus did not qualify for the 1990 payouts. Since they came to the United States through abduction by the American military, it stretches a fair conscience to understand how they could be denied the grants.

—Los Angeles Times.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
ESTABLISHED 1887
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Directeur de la Publication: Richard McClean.

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 41.43.93.00. Fax: Circ., (1) 41.43.92.10; Adv., (1) 41.43.92.12. E-Mail: iht@iht.com
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S.A.S. au capital de 1,200,000 F. RCS Nanterre B 733 012 126. Commission Paritaire No. 61337
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Clinton Has Pulled the Party Away From Its Roots

By Maureen Dowd

CHICAGO — The Democrats came to Chicago in 1968 and lost the presidency.

The Democrats came to Chicago in 1996 and lost the party.

The Gatsby of the Ozarks is not satisfied with reinventing himself, separating himself from his party and springing up, fully formed, as the Democratic nominee. He has also reinvented the image of the Democrats so completely that, as presented on television this week, there isn't much of a party left.

There is only a Clinton cult of personality.

For his lacquered spectacle here, Bill Clinton has largely erased his party's past, principles and personality. Instead he offers himself, his brainy wife as valedictorian and his charming daughter as family value.

He is the perfect leader for an era when celebrity is the most important value, when emotion and self-revelation replace reason and argument. The president as empath offers the convention as Jerry Lewis Telethon.

TV anchors and executives gripe about being used. Democrats and famous victims embrace being used. It takes a village to lose a party.

In this personalized, homogenized convention, the major speaker Tuesday night, pushing the keynote speaker, the governor of Indiana, off prime time, was not a party leader but the wife of the president.

Gary Smith, who produced the show as a Bill Clinton vehicle, said the convention logo had been designed by graphic artists who worked on the titles for "Jurassic Park." This was the major bow to the past. Watching deracinated Democrats, I began to long for the icons and the old bulls.

Given the new Clinton fondness for microscopic policies — following up on his listing in the platform of his toll-free hot line for women in trouble, Hillary Rodham Clinton urged 48-hour hospital stays for new moms — I began to long for important, passionate ideas. The era of big government might be over, but does the era of trompe l'oeil government have to begin?

Mr. Clinton is certainly far enough ahead in the polls to have invited Jimmy Carter. It would have been the graceful thing to do.

It was sad that Walter Mondale felt he had to stay away, and that Michael Dukakis and George McGovern wandered the hall, airbrushed out of the picture like executed Bolsheviks.

"The president wants to get re-elected," Mr. Dukakis said. "He wants to emphasize the contrast between Clinton and Dole, the future versus the past. ... I don't think Bush and Ford did anything for the Republicans. Besides, George McGovern and I had a good time sitting up in the VIP section."

But a party that loses its history loses the glue that keeps it together. "The convention has scarcely given a tip of its hat to earlier Democratic figures," said Michael Beschloss, the historian.

"Even after the Depression, the Republicans let Hoover come back and talk through 1960. You can simply say, 'I honor these earlier leaders and what they did and I'm trying to build on them and adapt to the times.'"

In 1972, Richard Nixon barely mentioned the word "Republicans" because he thought it was a downer. After his landslide, he even thought of changing the party's name to the New Majority Party.

"Then when Nixon needed them in '73 and '74, many Republicans said, 'We're not going to put ourselves out for you,'" Mr. Beschloss recalled. "It's hard to run a political movement alone."

Convention producers tried to keep the party's two star speakers, Jesse Jackson and Mario Cuomo, off prime time, though some of the networks foiled that plan and broadcast tapes of their speeches. But it was painful to see the old lions declawed, wreathing their deep doubts about Mr. Clinton in lavish praise, giving him cover on a welfare bill they despise.

The defense is that Mr. Clinton has to win by adopting the Republicans' tricks, but some people worry that he's adopting more than their tactics. The danger is that all that will be left of the Democrats' compassion is the rhetoric.

In Chicago this week, the political consultant Dick Morris achieved perfect triangulation, positioning Bill Clinton at the intersection of conservative scheming and liberal sentimentality. There was no party identity. There was only the distant rumble of a train pulling into Kalamazoo in time to make the 6 o'clock news.

The New York Times.

It Takes the First Lady to Elicit Such a Heated Response

By E. J. Dionne Jr.

CHICAGO — Hillary Rodham Clinton is the great Rorschach test of American politics. In the psychological device invented by Hermann Rorschach, a shrink figures out who you are by what you decide you see in a series of inkblots. That's how it is with people's reactions to the first lady: Their responses often tell more about them than about her.

That was certainly true of the opinions you picked up canvassing the convention center and the post-convention parties after Mrs. Clinton's Big Speech. No, there were not a lot of Rush Limbaughites there denouncing everything about Mrs. Clinton including her hair and her dress. But the range of reaction — especially within the commentating class — betrayed those telltale differences old Dr. Hermann loved to study. Take a few discrete groups:

The Crowd on the Convention Floor. That cheering and stomping was authentic. Many Democrats love Hillary Clinton, some because she fought for health care, others because she's a professional woman, still others because they see her as a liberal influence on her husband. Many love her because they can't stand the people who hate her.

This is a party full of anger over the sheer quantity of investigating, bashing, gossiping, writing and commentating about the flaws, real and alleged, of Mrs. Clinton and her husband. As these Democrats see it, she can't even write a book without Bob Dole attacking the title ("It Takes a Village"). So as Mrs. Clinton slowly built up to her defense of her theory of child-raising and her book title, you could actually feel the slow roar building up on the convention floor. These people were happy that she was fighting back.

The lovers of Mrs. Clinton were also glad she didn't try to mimic Elizabeth Dole's star moment on the Republican convention floor. Since the first lady is a substantive person who cares about policy, it was more authentic for her to stick to issues.

The Skeptics. These are people, especially in the commentariat, who think Mrs. Clinton has suffered a lot of damage that she needs to undo. They weren't sure she did.

They wondered why she didn't smile and joke around more. She looked too much like a stern teacher. She talked too much about policy, setting herself up as co-president again. And why, they asked, did she talk so much about health care? Isn't that what got her into trouble in the first place?

The skeptics also wondered why she insisted on reinforcing her "village" idea. The "it takes a village" concept is a big loser, they said. Many people (especially among those divinely inspired swing voters) agree with Bob Dole that "it takes a family to raise a child." And the pollster skeptics will tell you that many voters see Villagism as a way of requiring the working people in the village to take care of the kids of village slackers.

The Policy Junkies. For them, the most important parts of Mrs. Clinton's speech were the specific initiatives that will prove very popular with voters — and also demonstrate that government can help working families. These ideas are big with a newly appointed class of Especially Important Swing Voters, the "soccer moms" who work and run around frantically to take care of their kids and everything else. These ideas give Villagism a positive twist: Just about everybody agrees that the individual efforts of parents are helped or hindered, depending on what the community does, or doesn't do, to support them.

Thus the policy types were happy Mrs. Clinton emphasized government efforts to: guarantee new mothers at least two days in the hospital after the birth of a child; expand family leave for doctors' visits and teacher conferences; create more flexible rules on overtime work, and, yes, broaden health coverage.

Having set up the Hillary Clinton Rorschach Test, I suppose I should submit to it: I'm closest to the Policy Junkies. I have worries about Villagism wrongly interpreted — you have to be careful about any slogan that seems to de-emphasize parental responsibility — but of course the village matters. And I usually like it when public officials who have taken a lot of grief fight back.

But don't make too much of this. It says more about me than about Mrs. Clinton.

The Washington Post.

To Ensure Peace, an International Force Must Stay in Bosnia

By Frederick Bonnart

BRUSSELS — The postponement of municipal elections in Bosnia highlights the urgency of reaching another decision: on ensuring not only that fair conditions for these elections exist next spring, but also that the country does not fall apart after the withdrawal of NATO's peace implementation force, known as IFOR, on Dec. 20.

IFOR succeeded in stopping the bloodletting that cost the lives of some 200,000 people, ruined those of many more and displaced half the population. It has ensured the parties' adherence to the military provisions of the Dayton peace agreement, in particular the disengagement of opposing forces, their demobilization and the concentration of heavy weapons in supervisable cantonment areas. Its powerful presence all over the country is sufficiently impressive to inhibit latent hatreds from breaking out into warfare.

It has moreover made a considerable contribution to freedom of movement. By preventing the erection of checkpoints on the "interentity" boundary line, it ensures that it does not become an international frontier. The repairs the force is making to bridges, roads and railroads required for military communications have also opened these to civilian traffic.

The force has not, however, been able to remove another obstacle to freedom of movement: the intimidation of refugees wishing to return to their former homes. It is evident from a recent visit to Bosnia that the ultimate objective of the Dayton agreement — establishing a democratically governed, multiethnic society in which the rights of individuals and minorities are guaranteed — is a long way from achievement.

While local administrations have begun to function, they work well only on previous factional lines. No overall administration exists to exercise authority over the two nominal entities: the Bosnian Serb Republic and the Croat-Bosnian Muslim Federation. In fact, the federation itself lacks convincing cohesion, so it is difficult to envisage a real representative, democratic government, able to hold Bosnia together, emerging even after the elections.

Furthermore, no guarantee exists against rearmament. Although demobilization is well under way, and heavy weapons are largely concentrated in supervised storage sites, many demobilized troops are reservists and may have taken their uniforms and small arms home with them. Destruction of weapons in sites has not begun and, without external checks, they may again become available to the factions.

Nevertheless, the UN Security Council mandate for IFOR expires on Dec. 20, and withdrawal plans are being made. General George Joulwan, Supreme Allied Commander, has stated that no reductions will occur before the elections and that the drawdown thereafter will be gradual; the force may not have been fully withdrawn by Dec. 20, but the process will be under way.

If, then, the intention of Dayton is to be achieved, a new force will have to be deployed in Bosnia with a new mandate.

Such a force need not be as large as IFOR, with its 60,000 troops supported by heavy artillery and armor. But it must be sufficiently strong to carry out the continuing task.

It should therefore be a multinational NATO force as now, consisting of elements from all 16 member countries (Iceland, which has no military forces, has sent a medical team), and from as many as possible of the other 16 nations contributing troops. In particular, it would have to contain a sizeable all American element, as it is above all American power that appears to be respected in the area.

Instead of the present three multinational divisions, three strong brigades, equally multinational, would suffice. The composition of these brigades would have to be adapted to the task. Instead of heavy tanks and artillery, increased complements of highly mobile infantry, in light armored cars and soft vehicles, supported by a large engineer element, would be more suitable. Powerful reserve forces, partly stationed in neighboring countries such as Hungary and Italy, should remain in evidence. Further reinforcements from NATO bases in Germany and other member countries should be readily available.

A decision will have to be made soon if plans are to be ready by Dec. 20. Although IFOR will disband, individual units from participating nations destined for a successor force would not necessarily leave the country; an orderly transfer to the new force must therefore be organized.

Existing installations will need to be maintained and adapted. Financing and supply arrangements will have to be agreed upon.

Like its predecessor, this post-Dec. 20 presence in Bosnia should be time-limited. Not only can the international community not afford to retain a major force of this nature there indefinitely, but the whole process of nation-building would be undermined if a dependence on an outside force was considered the normal state of existence.

The burden on contributing countries will be heavy. But it is the price they will have to pay for failing to stem the disintegration of Yugoslavia in time, and to ensure they do not have to face the even heavier costs of another slide into mayhem and chaos.

The writer is editor of NATO's Sixteen Nations, an independent military journal. He contributed this comment to the International Herald Tribune.

China's Internal Preoccupations

By Xiao-huang Yin

LOS ANGELES — The prevailing consensus in international affairs is that soon China aggressively will seek its place as a world power, a status it enjoyed for 2,000 years but lost in the last century. Accordingly, the regime that 92-year-old Deng Xiaoping will leave behind — a Communist state bent on capitalist development — is seen as a threat and may have to be contained. But ideology notwithstanding, China is far from an emerging world power like Kaiser Wilhelm's Germany or Meiji Japan in the 1890s.

The reason can be found in two interrelated trends and their implications for China's political and economic life. One is the widening economic gap between the country's coastal and interior regions. The other is the emergence of rival regional power centers that routinely challenge central authority in Beijing. Both trends have received little attention in the West, but they are bound to affect China's relations with the outside world.

There is no disputing that China's economic accomplishments are remarkable. While its neighbors have suffered through recession, China has been growing at a double-digit rate. However, this dazzling record also has weakened its social institutions to the point that Beijing may soon be forced to concentrate on internal affairs. Its economic policies, especially those creating special economic zones and rewarding coastal cities with preferential tax breaks to attract foreign investment, have bred deep divisions and inequality in Chinese society. Economic prosperity hardly has touched people living in inland rural areas.

The consequences of such an economic chasm should not be underestimated. Throughout modern Chinese history, rural poverty has been an underlying cause of political unrest, sometimes leading to mass rebellions. If the current polarization persists and widens, it will bring far more people into the streets than any dissident's call for democracy.

Furthermore, the uneven economic development has encouraged the emergence of the rival regional power centers. Guangdong and Shanghai are two prime examples.

There is growing speculation that Beijing soon will take strong action to tame the runaway regionalism and discipline disobedient local officials. But it's doubtful such a drive can succeed, because regional bosses accustomed to exercising power surely will be reluctant to let it go. More important, no Chinese leader today enjoys the same kind of broad-based national support that Deng once had. To hold onto power, they must not only accommodate the desires of regional bosses, but also share their decision-making authority with them.

This new reality in China requires Washington to adjust its policy. This is not to say a "regional approach" would be preferable to the current posture. Such an approach would be complicated and might encourage local officials to ignore Beijing altogether, thus fostering disunity in China.

Consider how this could magnify the problem of piracy of U.S. intellectual property. If China disintegrated into regional fiefdoms, there would not be several dozen but hundreds of counterfeiting factories to contend with.

A strong central authority in China thus may be in the U.S. interest. As such, Beijing's efforts to curb regionalism are worthy of support.

The writer is a professor at Occidental College and an associate of the Fairbank Center for East Asian Research at Harvard University. He contributed this comment to the Los Angeles Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: A Dandy Dog

PARIS — The *Temps* yesterday [Aug. 29] published a humorous description of the celebrated bull-terrier which has made a home of the Restaurant Durand. On the dog's collar is the inscription: "Chocolate, chien philosophe, sans Dieu ni maître, 2 place de la Madeleine." Chocolat is everything that is philosophical. He is very Parisian, very *boulevardier*; he has solved the problem of living in the best restaurants, each day making his round of the Bois, living a perfect life of independence, "without God or master."

1921: Disputed Island

ROME — The international relationships of Italy have been brought to the forefront by the dispute that has arisen with the British Government over the rocky island of Saseno, which is of considerable strategic importance as a naval base in the lower Adriatic. Saseno is practically uninhabited, and has never been considered as forming a part of Albania. When in August, 1920, Italy evacuated Valona and recognised fully the independence of Albania, it was stipulated that the Italians should continue to occupy Saseno.

1946: Indonesia Truce

BATAVIA — Complete agreement in principle was reached between Lord Killearn, British Special Commissioner in Southeast Asia, and Dr. Suton Sjahrir, the Indonesian Premier, on the necessity for a truce in Indonesia. The hour-long conference at Jogjakarta, Java, also resulted in Dr. Sjahrir's agreeing to issue further orders that "adequate steps" be taken to protect Indian and Chinese minorities from persecution.

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OPINION/LETTERS

A Federal UFO Cover-Up? Yes, They Saw It on TV

By Wayne R. Anderson

SACRAMENTO, California — I taught an astronomy course last fall on the possibility of extraterrestrial life. It was a general-education science class of about 20 students in which we began with evidence for the origin of life on Earth and used this information to speculate about the possibility of life, including advanced civilizations, elsewhere in the universe.

My students were not science majors, but most expected to complete four-year degrees. They were people who might go on to become police officers, teachers or politicians.

Students were expected to turn in weekly papers on various topics, including ideas that had been introduced in class: "Is intelligence highly advantageous for the long-term survival of a species?" and "What information should we send to an extraterrestrial civilization?"

Other papers required an analysis of journal articles, including one claiming that ours is the only advanced civilization in the galaxy and a debate between Carl Sagan and Ernst Mayr over the likelihood of life beyond Earth.

Most believers in a cover-up thought its purpose was to prevent societal chaos and garner the benefits of alien technology.

As their final assignment, I asked my students to explain whether they felt the U.S. government was engaging in a grand UFO cover-up.

I chose this topic because of the growing popularity of such claims, and I was eager to see what my students, after a semester of exposure to scientific reasoning, would make of it.

They were told to give evidence and explain why, if they so believed, the government might be doing this. We had not discussed the topic in class, so the ideas they expressed were likely to be their own.

About half of the students were skeptical of a cover-up and of reports of UFOs in general.

The other half expressed varying degrees of credence, ranging from open-mindedness to conviction that the government knew of alien visitors but was keeping it a secret.

Up to this point, I was not really surprised. It was the evidence the believers cited that astonished me. Only one student referred to a book. Almost all the other evidence came from such television programs as "Fire in the Sky," "Roswell" and "Alien Autopsy."

Abductee interviews were also cited, but it was unclear whether they came from television or print sources such as tabloids.

Although no one used it in their papers, "The X-Files" television show was cited in class discussion as presenting a credible account of a cover-up.

Why would the government be hiding the existence of aliens from us? Most felt that it was to prevent societal chaos and to garner the benefits of alien technology.

However, they could not suggest any technology that might have resulted from this plot, except things like color TV and "medical advances," whose development has been well-documented.

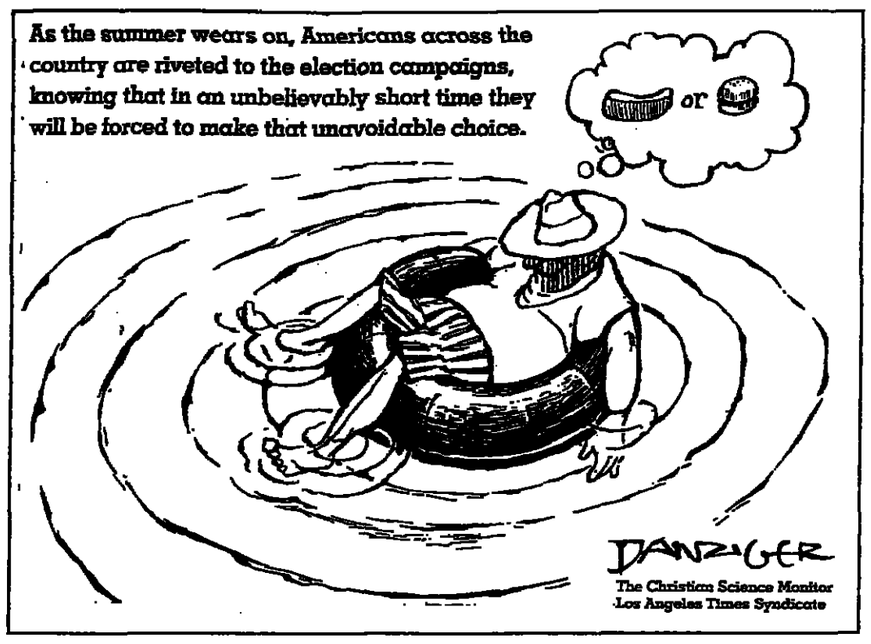
What frightened me was the almost total reliance, by college students, on televised entertainment to deal with a controversial, complex subject.

To be fair, in discussion some students were openly dismissive of considering these programs as evidence on anything. And the class did look sheepish when I drew attention to the low quality of evidence they had used.

Nevertheless, nearly half of these college students could not cite any evidence besides television shows on a science topic.

Now who says that television is innocuous?

The writer teaches astronomy and physics at Sacramento City College and is writing a book about the astronomy of native North America. This comment was adapted by The New York Times from an article in The Skeptical Inquirer, a journal based in Buffalo, New York.



LETTERS TO THE EDITOR

The Test Ban Treaty

Regarding "India's Veto of a Treaty Banning All Nuclear Tests Is Popular — at Home" (Aug. 24):

The Conference on Disarmament makes its decisions by consensus, and each of its members has a veto.

This year, India vetoed the text of the long-awaited Comprehensive Test Ban Treaty because of the provision requiring the adherence of a number of countries, including India, before it can enter into force.

To bypass the Indian objection, Australia has decided to take the draft directly to the United Nations General Assembly, where it would be adopted by a vote.

Given the history of a Comprehensive Test Ban Treaty, Australia's move is understandable; given the history of the Conference on Disarmament, it is ill-advised.

The conference's credibility and future are at stake. The problem should be solved by negotiation, not confrontation.

MIGUEL MARIN-BOSCH.
Barcelona.

The writer, consul-general of Mexico in Barcelona, was chairman of the Comprehensive Test Ban Treaty negotiations in 1994.

Politics and Drugs

Regarding "As Drug Use by Teenagers Soars, a Moral Vacuum at the Top" (Opinion, Aug. 26) by Georgie Anne Geyer and "Dole Assails Clinton on Drug Policies" (Aug. 27):

Some liberal apologists might argue that the rise in the use of marijuana among the young began months before President Bill Clinton took office.

However, teenagers tend to be quite sensitive, and they no doubt sensed the shift in moral atmosphere as early as the Iowa caucuses in the year before he took office.

Should Bob Dole win the U.S. presidency in November, the nation's teenagers no doubt will respond immediately by giving up all unhealthy habits and dedicating themselves to efforts to carry out his agenda, which apparently consists only of an unaffordable tax cut and a vague call for morality.

JASON McGRATH.
Taipei.

Clinton's Tax Stance

President Bill Clinton is a skillful politician and a powerful campaigner, but in criticizing the Republican tax-cut plan, he has let his mask slip, contradicting his previous statements about the end of big government and the need for individual accountability.

Mr. Clinton criticized the Republican proposals for a lack of "targeting." As he would have it, if Americans earn less than thus and such, and commit to spending on this and that, then the government would let them keep a little more of what they earn than otherwise.

Such an approach is intrusive. It also is part and parcel of big government. It makes little difference whether the government takes and spends or pressures people through the tax code to spend as it desires.

MILTON EZRATI.
Port Washington, New York.

Trouble With the Clues

In your Aug. 21 issue, Sheridan Morley, reviewing a revival of "Dial M for Murder" asks: "Who, in Edmund White's famous phrase, cares who killed Roger Ayckroyd?" The author of the phrase was Edmund Wilson, who dominated American critical writing for almost 50 years. (I imagine Mr. Morley conflated Edmund Wilson with E. B. White.) The name of the eponymous victim, by the way, was Ackroyd.

BETTY S. SMITH.
Le Beaucet, France.

Applying Simple Logic To the Issue of Abortion

By Elizabeth Ann Hulick

PARIS — So much of the abortion debate in America remains determinedly in the abstract: a plank in a political platform and precisely how it is worded. The topic is tossed around left, right and center, but much is left unsaid for all that. And in spite of the discussion, more than 1.5 million abortions are performed in the United States every year, an astonishingly high number.

MEANWHILE

A million and a half abortions is too many in a country that provides easy access to contraception and presents sex education in its public schools. The abortion debate must begin at the start, asking why there are so many unwanted pregnancies. Who are these women and girls having all these abortions?

When I was a teenager, two of my good friends had abortions. One was 15 years old and clearly badly informed about the potential consequences of her sexual activity. She later married the man by whom she had gotten pregnant. They had children and are still married, 16 years later.

A few years ago, over a glass of wine, this nice Catholic girl admitted to me that she expected to spend time in purgatory. Her parents never knew of her abortion, and although she is close to them, she has chosen to make it her lifetime secret.

The other friend's story is similar, although she was slightly older and the boyfriend did not last. These girls did not know well enough, or did not take seriously enough, the measures that could have prevented pregnancy. I sat in the same "health education" class as they did and got the same cursory overview when we got to the unit on sexuality. No one ever discussed contraceptive methods in detail or showed a film of an abortion, or of a birth.

Simple logic must apply here. Teenage sexual activity will not nicely go away, and it will affect the future of the girl who becomes pregnant whether she chooses to have the child or to have an abortion. Had those two friends of mine known more about contraception and abortion and its psychological aftermath, would they still have become pregnant? The argument for abstinence is moot here, except for the very brave, very self-disciplined or very shy. Such discussion is certainly worthwhile in the context of a complete course in health education, however.

Abortion should not be a secret badge, a rite of passage to more intelligent birth control. The United States is a medically sophisticated country and yet it has a phenomenally high rate of illegitimate birth by teenagers and far too many abortions. And the number of adult and educated women who have abortions is startling.

Abortion should not be a secret badge, a rite of passage to more intelligent birth control.

The supposedly low cost and easy availability of contraception appears open to scrutiny. And the quality of sex education in public schools cannot be undervalued.

A teenage girl who understands exactly how her body, and his body, works and what could befall her, and who can be helped with discretion and absence of judgment, is less likely to become pregnant. One less pregnancy is one less illegitimate birth or one less abortion.

Adoption, another difficult choice, is rarely given as much air time as abortion. It seems more taboo sometimes to speak of bearing a child to be raised by others than to terminate a pregnancy.

There are too many abortions in the United States every year. There do not have to be so many. Anti-abortion advocates will cry, "One is too many!" Pro-choicers will respond, "It's nobody's business!" Both are right, which is the beginning of an honest, open look at an unfortunate, uncomfortable decision.

By not turning a blind eye to the sexuality of teenagers and the occasional ignorance of grown-ups, it should be possible to reduce the number of abortions — which all sides would see as an improvement.

International Herald Tribune.

BOOKS

KEEPING WOMEN AND CHILDREN LAST: America's War on the Poor

By Ruth Sidel. 220 pages. Paperback, $11.95. Penguin.

Reviewed by Kai Erikson

A LARGE number of books have appeared recently on poverty in the United States. Most have been marked by a kind of lashing insistence — a tone of voice common to people who fear that an elementary set of facts is either being overlooked mindlessly or suppressed deliberately. That is the tone of Ruth Sidel's new book. It will also be the tone of this review.

The problem Sidel shares with so many other writers on the topic is simple enough: How can one convey the size of the gulf between the very rich and the very poor? How can one convey the sheer number of people who have been abandoned by the society of which they are technically a part? Every now and then one encounters a striking fact or observation that is almost like a parable in its ability to give a sense of life and dimension to one of those otherwise elusive points. Jonathan Kozol, for example, while doing research in the Mott Haven section of the South Bronx for his remarkable book "Amazing Grace," came across the newspaper account of a Wall Street money manager who had made so much money the year before that a one-fifth share of those earnings alone "would have lifted 48,000 human beings — every child and every parent in every family of Mott Haven — out of poverty."

But most of us can only fall back on the narrative strategy of offering a series of facts or observations, each one stacked hard on the other like so many bricks, in the hope that the sheer size and weight of the pile will sooner or later compel attention. Sidel does that work very well indeed. The danger in this approach, though, is that so unrelenting a recital of bad news can blunt the mind rather than sensitize it, paralyze the moral reflexes rather than activate them. That has been the fate of many another attempt to keep a responsible discussion going on the topic of poverty, and it may turn out to be the fate of this one as well. That would be a pity. The book deserves a wide reading.

"Keeping Women and Children Last," as the title makes clear, is intended as a sequel to Sidel's 1986 book, "Women and Children Last." The main burden of the earlier work was that a staggering number of Americans, as many as 33.7 million, could be thought of as poor by any reasonable standard. A rapidly growing portion of that mass of people, moreover, was made up of women and children on the one hand and members of minority groups on the other. The rich were getting richer, the poor poorer, and that widening gap in income was increasingly separating people along racial, ethnic and gender lines. — the familiar fault lines of American society. And, to make matters worse, the welfare system that was originally devised to help people caught up in those cruel currents was being cut back sharply.

Now, a decade later, Sidel reports that things are as bad as ever, if not substantially worse. The number of poor people has gone up by four million or so, and the percentage of women and children caught in the ranks of the poor has continued to grow. The gap between rich and poor is "wider than at any time since census data on income has been compiled," and, in addition, "we are in the midst of a massive effort to drastically cut and, in some instances, dismantle programs for the poor and the near-poor." Not a very encouraging update, to say the least.

Sidel shares with a number of other writers the fear that we as a society are not only abandoning the poor to a sorry fate but learning to regard them with a new contempt and even disgust. This hostility is certainly nothing new from a broader historical perspective, of course, but a number of commentators feel that it has reappeared on the American social landscape with a special vengeance in recent times.

Why? Sidel proposes that it is far easier for us to treat the poor as badly as we do if we can somehow manage to see them as less than human.

There is a growing feeling in the country, Sidel reports, that the heart of our national problem is what we find ourselves calling somewhat awkwardly "out-of-wedlock" births.

The bearing of children by young and poor women certainly poses risks. But the fact that these children have been born to unmarried women has almost nothing to do with the matter. Both mother and child would be at a distinct disadvantage in life even if the men involved could be cajoled or threatened or shamed into joining the rest of the family, since so many of them are young, poor, jobless and without much in the way of prospects themselves. It is not absent fathers that endanger these children, then, but absent prospects. It is not fatherlessness that dooms so many of them to a troubled future but all the other effects of poverty.

The world in which poor children grow up has been studied at some length. It has a significantly higher incidence of many of the world's miseries, including "emotional and behavioral difficulties, dropping out of school, becoming pregnant as teenagers, abusing drugs, getting into trouble with the law, and being victims of physical or sexual abuse."

How many children are exposed to that world? Sidel presents the figures calmly enough: 15.7 million American children live in the starkest poverty, representing roughly 22.7 percent of the population of the young. Close to a quarter of all the children in our country live below the poverty line. Almost sixteen million!

What can be done? Sidel has a thoughtful list of measures to propose that would immensely improve the dark picture she draws. We would live in a far better world if her advice were heeded.

But it probably will not be. What the country really needs is a change in its prevailing sense of fairness. Policymakers who persist in thinking that what we have here is a failure of will and of responsibility among the poor have to be understood as ignoring readily available facts. Ruth Sidel's work will make it harder for them to do so. That makes it an important book.

Kai Erikson, who teaches sociology and American studies at Yale University, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

HENRY Francis, editor of the American Contract Bridge League's Bulletin, is a fine player. In the diagramed deal, he held the South cards. West persevered with three diamonds, reaching a contract that would have been easy as the cards lie. East preferred three hearts, which would have failed: West cannot keep control of the trump suit.

But South persevered to three spades, which proved to be tricky after an opening trump lead was ducked around to the nine. South played a trump to the jack and ace, and East shifted to the heart jack. This was covered with the king and ace, and when West continued, South ruffed the third round. Dummy was entered with a spade lead, and the club jack was led for a winning finesse. The club ten came next, covered with the queen and the king.

The last trump was drawn, and the play of the club ace left this ending:

	NORTH	
	♠ —	
	♡ 8	
	◇ A 7	
	♣ —	
WEST		EAST
♠ —		♠ —
♡ 10		♡ —
◇ K 10		◇ J 9
♣ —		♣ 9
	SOUTH	
	♠ —	
	♡ —	
	◇ Q 2	
	♣ 5	

The lead of the club five brought home the doubled contract by destroying West, unusually squeezed by the lead of a loser.

	NORTH	
	♠ Q J 5	
	♡ 8 6 4 3	
	◇ A 7 5	
	♣ J 10 4	
WEST		EAST
♠ 4		♠ A 10 8 2
♡ A Q 10 9 7		♡ J 2
◇ K 10 6 4 3		◇ J 9 8
♣ 6 3		♣ Q 9 8 7
	SOUTH (D)	
	♠ K 9 8 7 3	
	♡ K 5	
	◇ Q 2	
	♣ A K 5 2	

Both sides were vulnerable. The bidding:

South	West	North	East
1 ♠	2 ♡	2 ♠	Pass
Pass	3 ◇	Pass	3 ♡
3 ♠	Pass	Pass	Dbl.
Pass	Pass	Pass	

West led the spade four.

Good News to our readers in Toulouse and the Southwest of France: The IHT is available at all these fine news agents.

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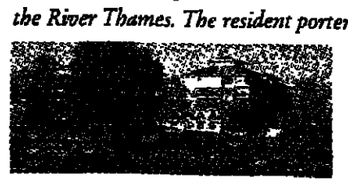

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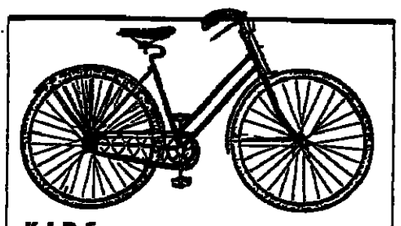


KIDS

The Bikeways Of Barcelona

By Al Goodman

BARCELONA — When it comes to bicycles, this city is not yet another Amsterdam, but it seems to be on the way. Even Mayor Pasqual Maragall keeps a few touring bikes in a City Hall storeroom near his ornate corner office, for when he gets the urge to pedal around town on the 33 miles (54 kilometers) of marked bike paths the city has installed since 1990 under his tutelage.

"The idea is to upgrade the quality of life, to encourage bicycling as a means of transportation in the city, along with metros and buses," said Steven Guest, a city spokesman.

Barcelonans appear to be taking note. A city-commissioned survey found that an average of 10,000 people use bicycles regularly during the week, and 120,000 on weekends.

Eric, 9, and his sister, Irina, 11, are among them. These energetic cousins of my wife were in our care one recent Sunday, and we decided to try biking in Barcelona, using rented bicycles that are becoming easier to find for a short ride or even for all day.

Friends recommended the bike rental company called, in Catalan, Un Coche Menys, or "One Less Car."

ON THE WATERFRONT Although most of the city's bike paths crisscross town, it's easiest and safest to ride with children along the waterfront's paved promenade, where cars pose no threat.

Un Coche Menys offers Italian Bianchi brand touring bicycles from its headquarters store, daily during warm weather months, for about $4 per hour. The store is tucked away at 3 Esparteria. Tel: (34-3) 268-2105, a side street in Barcelona's Gothic Quarter.

On many spring and autumn weekends, starting again this Sunday, the company also rents the same kinds of bicycles from three stands along the waterfront, where the price is $6 per hour. Two of these stands are quite close to the Pizza Hut and Planet Hollywood restaurants, respectively, in the Olympic Port area, and the third is near the Casa Costa Cal Pintxo restaurant in the Barceloneta fishermen's traditional neighborhood, near the Old Port.

Our quartet rode on both city streets and along the beach. We rented at the company's headquarters because it was closer to our hotel than the waterfront and we thought it would be fun to ride the green, single-speed Bianchis with hand brakes to the Mediterranean.

But it probably would have been wiser to take a taxi to the beach and pick up the bikes there. In the end, we had to use a taxi anyway. About 15 minutes after renting the bikes, we had just passed the heavy traffic around the Franca train station and the Ciutadella park. We were on the verge of reaching the waterfront when young Eric reported that the left pedal had fallen off of his little six-speed Bianchi cruiser.

We pulled up onto a shady knoll. The pedal's stem was a mess and it could not be screwed back into the pedal frame easily. We hailed a cab, stuffed the bike in the back and returned to headquarters.

The staff did not put up a fuss about exchanging the bike, or discounting our lost time and paying for the taxis.

We soon found the bike path — denoted with separate lanes and little white bicycles painted on the path itself — and rode it toward the Barceloneta section, also known for its seafood restaurants. That made us hungry.

SEAFOOD OR FAST FOOD We had gotten a late start and it was soon time for lunch. We rode into the Olympic Port area, with its 50 restaurants and bars ranging from fancy seafood cuisine at El Cangrejo to the more pedestrian but child-friendly Pizza Hut. Another advantage of the latter was the ease of leaving the bicycles, unlocked, right next to our outdoor table. We ate ice cream cones next door for dessert and were soon ready to fully explore the waterfront promenade.

The promenade is mostly flat, with only one slight climb to cross a bridge. Near the Olympic Port, a lot of families were strolling on a Sunday afternoon, but as we got farther away from the restaurants, the crowds thinned out and the promenade took us past games of beach volleyball, a few people flying kites, and the deep-hued Mediterranean.

We pedaled and coasted our way back to the rental store, returning the bikes just over three hours after starting, including our lunch break. The price per rider was $12.

Un Coche Menys. Store hours are normally 9 A.M. to 2 P.M. and 6 P.M. to 9 P.M. daily, with added waterfront rentals from 10 A.M. to 8 P.M. weekends and holidays. But it's best to call ahead to the store: (34-3) 268-2105. Half-day and full-day rentals also are available.

Another renter is Filicletas, Passeig de Picasso, across from Ciutadella park. Tel: (34-3) 319-7885. It rents Basque-made BH bicycles for $2.40 per hour; half- and full-day rentals, too. Open 11 A.M. to 2 P.M. and 5 to 9 P.M. weekdays; weekends and holidays from 10 A.M. to 3 P.M. and 5 to 9 P.M.

Al Goodman, who contributes from Spain to The New York Times, wrote this for the IHT.

New Look in Cooking: Tokyo's Female Chefs

By Elizabeth Andoh

TOKYO — Although nearly all professional chefs in Japan are men, women cook at home for their families. In doing so, they cater to dietary needs ranging from those of toddlers to elderly in-laws, and prepare meals to match the erratic schedules of schoolchildren and husbands who generally come home late from the office. And they are expected to accomplish all this with flair as well as manage their household finances carefully.

So it's not surprising that some intrepid Japanese women have combined their passion for food with years of home kitchen experience; Japan now has a small but growing number of women who are chefs, most of them in Tokyo.

Though some women do work in hotel or chain-restaurant kitchens, such operations rarely allow them much scope. Japan has a tradition of small chef-owned places offering fixed-price dinners, and women tend to be more successful running such enterprises than trying to work their way through the ranks of a larger place.

Yukiko Kobayashi at Kitchen Five, left; Katsuko Nanao of Nanao, top right, and Etsuko Yamada of Nezu Club.

Kaku Kurita for The New York Times

KAMIYA

Owned by Akiko Chine, Kamiya occupies a small ground-level and basement space in one of Tokyo's fashionable residential districts. A stylish banner painted with calligraphy marks the entrance to the simple, though not stark, interior of honey-colored wood, accented with stone, granite and baskets of wildflowers. The fixed-price meals cost about $78 (based on an exchange rate of 103 yen to the dollar), and the succession of more than a dozen items — some just a bite or two, others more substantial — add up to a mini-banquet.

The gyoza pot-stickers I had one February evening were tasty — dumplings stuffed with lots of mushrooms and herbs, and just a bit of pork — although I preferred Chine's more traditional Japanese preparations. A silky but firm-fleshed fish in the snapper family, called *ishidai*, made an excellent fresh fish course. And Kamiya's soy-seared steak was delicious and tender.

Dinner drew to a close with piping hot miso soup, steamed white rice and a rainbow array of pickled vegetables; a typical winter assortment was pinkish-purple *shibazuke* of eggplant and ginger, pale green *hakusai* cabbage, golden, crunchy *takuan* radish and white salt-pickled turnip. For dessert, we were given a choice of *yuzu* (citron) sorbet, or *sakura* (rose petal) ice cream. Both were refreshing and not too sweet.

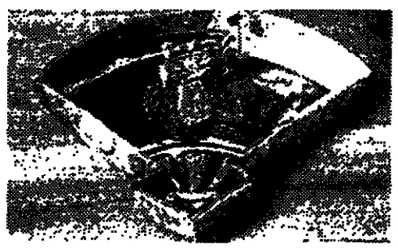
1-10-7 Nishi Azabu, Lilac Nishi Azabu Part 2, Minato-ku, Tokyo; tel: (03) 3475-0887.

GOHANYA PAROLE

One muggy evening in June, at the beginning of the rainy season, I dined at Gohanya Parole, the oddly named restaurant where the chef-owner, Emiko Sakurai, prepares Japanese home-style food in a tiny second-floor walk-up apartment. After raising a family, Sakurai began catering in 1988, opening her restaurant a year and a half ago.

We ordered the $68 dinner and were pleasantly satiated. Had we chosen the $49 dinner, we would have missed the fresh fish course, which was *sayori*, fillets of a small, sweet-fleshed fish, and the meat course, which was succulent seared steak with a dipping sauce of grated radish and apple with ginger.

The chilled sake ($12 a flask) was refreshing, and perfect with a mackerel dish prepared in the *nanban*, or "southern barbarian" style. In this cooking method, attributed to the Portuguese ("barbarians" who arrived in Japan from southern trade routes in the 16th century), fish are dredged in cornstarch, deep-fried until crisp, then marinated in a spicy vinegar sauce. The sake further enhanced delicately braised *udo*, a celerylike mountain vegetable.



Sakurai likes to include one or two nontraditional courses in each of her menus, such as an Italian-style dish of baked eggplant, tomatoes and fresh basil. After rice (studded with fresh green peas), soup (*asari* clams in a mellow miso-thickened broth) and assorted homemade pickles, came a slice of intensely fruity *ume kanten* (plum-flavored gelatin). Cups of hot *hoji cha* (smoky tea) were served with this dessert.

4-4-12 Nishi Azabu, New Nishi Azabu Building 2F, Minato-ku, Tokyo; tel: (03) 3409-5039.

NEZU CLUB

Inspired by her grandmother's home-style cooking, Etsuko Yamada began her formal culinary studies after college, spending 10 years at the Yanagihara School of Classical Japanese Cooking, before she began teaching others. Then, in May 1994, with several of her talented students as assistants, she opened the Nezu Club. She continues to teach on Monday and Tuesday; the restaurant is open Wednesday to Saturday. The modern, but not stark, interior has a counter seating six on three sets of cozy benches designed for couples; several long tables accommodate 20 others.

Fixed-price dinners begin at $39 a person and comprise five dishes, each of which, in classic Japanese fashion, is prepared by a different cooking method such as grilling, steaming or simmering. Although the last course in most traditional meals is rice, soup and pickles, at Nezu Club there is a surcharge of $8 for this final trio. Concluding your meal in the traditional manner is important here so you don't miss Yamada's homemade rice-bran pickles and flavored rices.

On the evening I was there in February, My guest chose the grilled *anago* eel pilaf, and I had the ginger-infused *tatami-iwashi gohan*. The latter is made with minuscule sun-dried sardines that are pressed into thin, lacy sheets. Briefly toasted over a flame, the sheets are then crumbled into cooked rice to add an aromatic accent.

Earlier in the meal, I especially enjoyed the fresh fish course, an arrangement of delicate, silvery sayori with plump, rosy clams called *aoyagi*. The grilled *kasu-zuke* salmon was also excellent.

2-30-2 Nezu, Bunkyo-ku, Tokyo; tel: (03) 3828-4004.

NANAO

Azabu Juban is a historic market and residential district not far from Roppongi's night life. Nanao restaurant is where Katsuko Nanao, the owner-chef, prepares elegant but unpretentious Japanese food. She has developed a style that is original yet faithful to the precepts of classical cuisine. The restaurant has a casual, modern interior; toward the back is another dining area with a small counter as the focus of attention.

Two of my favorite dishes, from among the dozen that made up our $68 fixed-price menu, were made from *kudzu*, a starch similar to arrowroot that has been part of Japan's culinary traditions for more than 1,000 years. When mixed with sesame seeds that have been toasted and crushed to a paste, then simmered with broth, kudzu makes a creamy, nutty, velvet-smooth pudding called *goma-dofu*. Nanao's summer version of this classic dish is a chilled, triangular wedge dotted with maroon-colored *adzuki* beans.

When the same kudzu root starch is mixed with clear spring water and steamed, then chilled, it makes slithery, opalescent ribbons called *kudzu-kiri*, which are usually served as a snack with thick, dark syrup. At Nanao, however, short lengths of these broad, flat, chewy noodles were combined with tender, thin slices of steamed octopus to make a salad-like dish. Dressed in a light vinaigrette and accented with a dab of pickled plum paste, it was a terrific contrast of textures and flavors.

My dinner partner and I noticed that a party of businessmen at the table behind us was being served what we thought was *nigori-zake*, a milky rice wine usually reserved for ceremonial purposes. Curious, we were told that the rice wine was actually *ori-zake*, which, like tamari soy sauce, thickens naturally at the bottom of its storage barrel. Served in a chilled pottery pitcher, with two small sipping cups, a "portion" of the rice wine is $8. A bit sweet at first, especially with vinegar-dressed dishes, the cloudy ori-zake tasted drier when paired with a croquette of grated lotus root, crisp on the outside, that had a creamy filling studded with kernels of corn. After a meat course served along with the triumvirate of soup, rice and pickles came very good homemade green tea ice cream with red bean fudge.

1-5-10 Azabu Juban, No. 2 Ishihara Building 1F, Minato-ku, Tokyo; tel: 3401-7770.

KITCHEN FIVE

Nearly everyone I asked about female Japanese chefs mentioned Yukiko Kobayashi, the energetic owner-chef of Kitchen Five, with the caveat that her style of cooking was extremely eclectic and certainly not Japanese in the ordinary sense. After one visit to her friendly, funky eatery, though, I could understand why Kobayashi enjoys such loyal customers.

Kobayashi opened her tiny restaurant 12 years ago, inspired by Kyoto's *obanzai ryori* style of cooking and dining, in which huge platters of food are served family-style in a congenial pub-like atmosphere. The food at Kitchen Five is largely Mediterranean and Southeast Asian; the decor, if you can call it that, consists of souvenirs from Kobayashi's travels, hanging haphazardly from beams and rafters. Platters of stewed meat, fish and vegetables are set out on the counter next to a refrigerated case with a variety of salads.

Of the half-dozen or so dishes I sampled, my favorites were the tomato and lentil salad with cilantro; black risotto with squid ink (cooked Japanese-style so the rice had creamy grains, soft at the center), and baked swordfish with a crust of spinach and feta cheese. Indian flower tea, called Karuguda, was the color of blackberry wine and had a fruity flavor after being sweetened with a bit of honey.

4-2-15 Nishi Azabu, Minato-ku, Tokyo; tel: (03) 3409-8835.

Elizabeth Andoh, an American journalist who lives in Tokyo, wrote this for The New York Times.

THE CAR COLUMN

With the Citroen Saxo, Not a Matter of Love or Hate

By Gavin Green

CITROENS used to be cars you either loved or hated. Now they're mostly emotion-free products, like any other useful appliance that simply "does the job." You loved the old ones for their outrageous looks (which had a practical side: They were usually very aerodynamic) and their cotton-wool ride and because, to the car literate, they always implied a certain sophistication in owners. Architect- and design-types are still prone to driving around in '50s and '60s Citroen DSs, looking cool.

And the flipside? Lots of folks hated the "queasy rider" soft hydropneumatic suspension. And Citroens never had a great reputation for reliability. Pioneer too often and you often get stranded. Initiate too often and you also sometimes go broke. That is precisely what happened to Citroen in the early '70s, before its erstwhile rival Peugeot bailed it out.

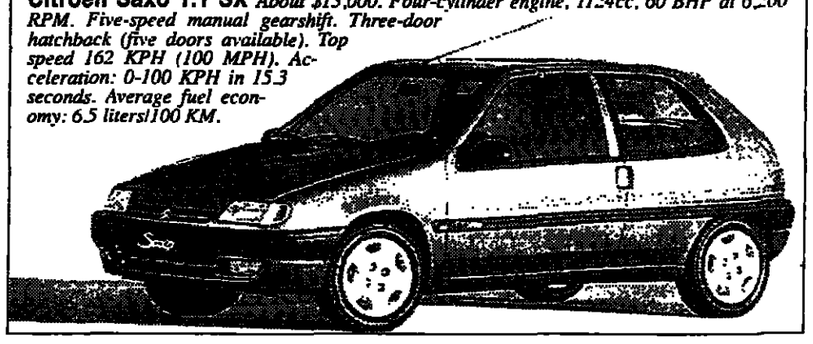
Nowadays, like so many other modern cars, Citroens are mostly the object of neither love nor hatred. They're simply acceptable, like own-brand labels from the big department stores. What you see is what you get, nothing more, nothing less.

A PEUGEOT IN BETWEEN

Except that with the new Citroen Saxo what you see is not quite what you get. The emblem says Citroen but, in fact, the car is a Peugeot. Between the bespoke nose and emblems, and the Citroen tail, is a Peugeot 106. Under the skin there is also a Peugeot 106. The major difference is that the Saxo doesn't look as good.

This new small Citroen replaces the AX. Despite its ordinary styling, that old-timer won a big following owing to its nippiness, terrific fuel frugality, sharp handling, low price and comfort. One of its strengths was its light weight, which helped with all the aforementioned qualities.

Citroen Saxo 1.1 SX *About $13,000. Four-cylinder engine, 1124cc, 60 BHP at 6,200 RPM. Five-speed manual gearshift. Three-door hatchback (five doors available). Top speed 162 KPH (100 MPH). Acceleration: 0-100 KPH in 15.3 seconds. Average fuel economy: 6.5 liters/100 KM.*



Unfortunately, this didn't help its crash worthiness. Forthcoming European safety regulations meant something tougher was needed.

In the old days, you could imagine Citroen, the innovator, pioneering some revolutionary light yet strong material, or some clever new engineering structure to meet the new crash regulations and still be able to offer low weight and all its concomitant advantages. Not this time. They simply added more metal to make it tougher. Upshot: a safer little Citroen. But the intellectual rigor that went into meeting the new challenges can't have demanded too many late nights.

Unsurprisingly, it is a competent but unexceptional car. It's safer, with a driver's airbag and side impact beams, but no safer than most modern rivals. It's roomier than the smaller AX, but nothing like as spacious as, say, a rival Fiat Punto. The wheelbase is the same as the old Peugeot 106's, and yet the car is substantially longer, which says all you need to know about its poor packaging efficiency. Owing to thick door casings, the cabin is also quite narrow. Forget about trying to squeeze three in the back, unless they're kids or built like Kate Moss. And despite all the extra metal to make it tough, it still doesn't give the rocklike solidity of a Volkswagen Polo.

The steering (nonpower-assisted on the test car, although you can get it as an option) needed far too much twirling to get major direction changes, and this robs the Saxo of any handling sparkle. It's also rather heavy when trying to park. For large drivers (6 feet and over), the nonadjustable steering wheel is too low, necessitating a rather awkward knees-out driving posture. The ride is good — Citroens and Peugeots always are. Oh, and the trunk size is well above average too.

THE test car had the basic 1.1-liter gasoline engine, which is a willing enough little unit, even if nothing like as sprightly when lugging around the Saxo as when it was powering the featherweight AX. Its exhaust note sounds a little hollow, and the French have never been able to deliver the sweetness or refinement of the best Japanese or German four-cylinder units. Even back in its engineering heyday, Citroen never had great engines. It is only in diesels (and, ironically and disparately, in Formula One) that the French excel in engine technology.

The seats are comfortable enough but, as with so many other carmakers when they start to use slightly jazzier fabrics (as Citroen does), the material always looks like a leftover from last year's skiwear sale. Goodness knows, car interiors need brightening up from the relentless mix of dark and light grays that carmakers have been serving up now for ages. But when they do let their hair down, it all looks so terribly contrived, like a gray-suited businessman suddenly experimenting with bright ties. I suppose they'll get it right eventually and car cabins will eventually become cheerful places in which to spend time.

WHAT else is there to say about the Saxo? Not much. The name is supposed to evoke "saxophone" and the spirit of light heartedness and fun that Bill Clinton's favorite instrument can convey. Instead, we find a rather stodgy car that does the job competently and reliably but with no real panache, no style. Those who seek unsophisticated transport will appreciate its honesty. But they'll never love it. And those who have understood and admired old Citroens will be disappointed. But they'll never hate it.

Next: The Nissan Primera

Gavin Green is the editor in chief of Car magazine.

LEISURE

RECORDINGS

A Master Class of Art Tatum Solo

Christian Rose

Me'Shell Ndegeocello: Shades of Miles Davis, and others.

ART TATUM "20th Century Piano Genius" (Verve): Two CDs from 20th Century Fox and Smithsonian master tapes, 39 takes in all, 12 of them released for the first time, of informal solo performances in Hollywood homes. "Louise," "Jitterbug Waltz," "Little Man, You've Had a Busy Day," and so on. There was only one Tatum, it's true, although here he sounds like four very cool virtuoso hands all by himself.

ME'SHELL NDEGEOCELLO "Peace Beyond Passion" (Maverick): She attended the Duke Ellington School of the Arts, Howard University and barber college before being signed by Madonna's Maverick record label. Based on her bass playing, Me'Shell's music is a polished blend of African-American attitude and advance production techniques with a John Lee Hooker grain and Steely Dan-like chords on top of the funk of it all. Shades of Miles Davis.

BILLIE HOLIDAY "Volume II, 1941-1942" (Media 7): Media 7's French-produced "Masters of Jazz" collection marches on in the wake of the good ship Public Domaine (50 years). "Gloomy Sunday," "God Bless the Child," "Mandy Is Two." Marriages of refined content and honed delivery blur the line between composition and interpretation: "Fine and Mellow," as she sings.

THE GEORGE GRUNTZ CONCERT JAZZ BAND "Beyond Another Wall, Live in China" (TCOB): Between directing the Zurich city theater and producing the Jazzfest Berlin, the Swiss composer, arranger and pianist Gruntz has been leading one of the better big bands around. This was recorded in Beijing and Guangzhou during an all-too-well-kept-secret tour of China in 1992 and 1993.

Mike Zwerin/IHT

MOVIE GUIDE

THE SPITFIRE GRILL

Directed by Lee David Zlotoff. U.S.

"The Spitfire Grill" arrives with a reputation that precedes it: as the slickest drama at this year's Sundance Film Festival, as a small film purchased by its distributor for a disproportionately large sum ($10 million, a Sundance record) and as an inspirational drama initially financed by an order of Roman Catholic priests. But this contrived, studiously quaint New England tale is less notable for any of that than for the glowing performance of Alison Elliott, its lovely young star. A former Ford model with a waifish look and a scrappy intelligence, Elliott suggests the early Debra Winger in her portrayal of Percy Talbott, a sullen newcomer in a tiny Maine town. The film begins as Percy leaves a Maine prison and arrives in Gilead, a town whose symbolic value would be evident even if Lee David Zlotoff's film didn't pause for a hymn about balm. Percy is hired at the tiny restaurant of the title, where she gradually beguiles Hannah Ferguson, the starchy proprietor, played by Ellen Burstyn. Lurking in the wilderness is a hermit with whom Percy develops the kind of silent rapport that has him leaving little gifts on her windowsill. All of the characters undergo spiritual transformations. "The Spitfire Grill," which also involves a contest to give away the restaurant to a deserving stranger once Hannah decides she must retire, builds to a manipulative but effectively tearful ending. For all its hokum, it espouses some inarguably worthwhile ideas about forgiveness and generosity.

(Janet Maslin, NYT)

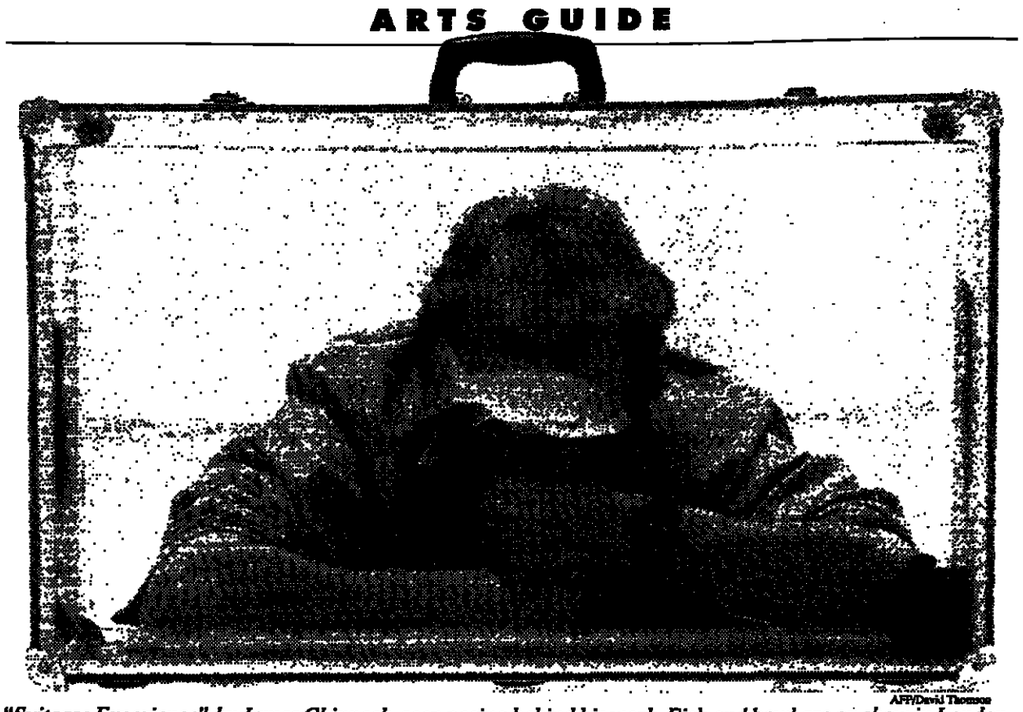
THE ISLAND OF DR. MOREAU

Directed by John Frankenheimer. U.S.

If H.G. Wells were still alive, he'd agree that modern times have realized, if not eclipsed, "The Island of Dr. Moreau," his pessimistic vision of man's godlike assumptions, animal experimentation and other evils. But there's no saying what he'd make of this movie, starring Marlon Brando, Val Kilmer and David Thewlis. Edward Douglas (Thewlis), a peace broker in an unnamed civil war, is the sole survivor of a plane crash. Picked up at sea and taken to a mysterious island compound by the personable Montgomery (Kilmer), Douglas thinks he's in the clear. But he soon learns the disturbing truth. The island is run by Dr. Moreau (Brando), who has spent 17 years intersplicing human and animal genes; his experiments — hairy, snouty human beasts — live all over the island. Montgomery is Moreau's disciple and chief enforcer. "The Island of Dr. Moreau" doesn't expound on the book's topics so much as exploit them for laughs. Brando, dressed in various veils, garbs and eccentric hats, brings to mind a combination of Colonel Kurtz and Truman Capote. Kilmer is equally amusing. The campiness is offset well by Thewlis. As the relative straight, and terrified, man, he's surprisingly effective. But the movie would amount to little without its creatures. Stan Winston, a special-effects genius, has a field day. While you're busy chuckling at the comedy, you may find your pulse quickening just a little at these snorting, growling, squealing, blood-curdling wild things.

(Desson Howe, WP)

ARTS GUIDE



AFP/David Thomson

"Suitcase Experience" by James Chinneck, seen posing behind his work. Fish and bowl are on show in London.

AUSTRIA

Vienna
KunsthausWien, tel: (431) 712-0495, open daily. **Continuing/** To Sept. 1: "Raoul Dufy, 1877-1953."

BELGIUM

Brussels
Palais des Beaux-Arts, tel: (2) 507-8469, closed Mondays. **Continuing/**To Sept. 8: "Art as Resistance: German Painters Between the Wars."

BRITAIN

London
Camden Arts Centre, tel: (171) 435-2643, closed Mondays. To Sept. 8: "Newcontemporaries 96." An annual exhibition of recent works by unknown artists that has often launched careers in the past. Features paintings, photo-works, videos and sound-pieces by 33 artists.

FRANCE

Deauville
22d American Film Festival. To Sept. 8: A selection of 18 American films competing for two prizes (Grand Prix Special Deauville and Prix du Jury Special Deauville). World premiere of "Bogus," by Norman Jewison with Gerard Depardieu and Whoopi Goldberg.

Paris
Centre Georges Pompidou, tel: (1) 44-78-12-33, closed Tuesdays. **Continuing/**To Oct. 14: "Francis Bacon."
Festival d'Ile de France, tel: (1) 44-94-28-50. Sept. 8 to 20: In chateaux, churches, cathedrals and other venues around Paris, a series of concerts featuring Francoise Pollet and the London Baroque quintet, among others.

GERMANY

Cologne
Museum fur Angewandte Kunst, tel: (221) 221-6714, closed Mondays. To Dec. 8: "Prunkvolles Zarenreich: Eine Dynastie Blickt Nach Westen, 1613-1917." Examples of the magnificence at the court of the Romanovs of Russia. On exhibit, are highly decorated pieces of furniture, detailed ornaments and other trinkets that belonged to the czars.

JAPAN

Tokyo
Bunkamura Orchard Hall, tel: (3) 3477-9999. Aug. 30 to Sept. 6: "Mostly Mozart Festival." Features arias from "Don Giovanni" and "Le Nozze di Figaro" by soprano Patricia Schuman; Handel's "Messiah," arranged by Mozart, and a performance of Symphonies No. 39, 40 and 4, under Gerard Schwarz.

ISRAEL

Jerusalem
Israel Museum, tel:(2) 708-811, open daily. **Continuing/**To Sept. 15: "Myth and Power: Masterpieces from Imperial Vienna."

ITALY

Venice
Palazzo Grassi, tel: (41) 522-1375. **Continuing/** To Dec. 8: "Magna Grecia: I Greci in Occidente." Ancient Greek art.

SPAIN

Madrid
Thyssen-Bornemisza Museum, tel: (91) 420-39-44, closed Mondays. **Continuing/** To Sept. 8: "From Canaletto to Kandinski." Monet, Gauguin, Toulouse-Lautrec, Kandinsky and Nolde.

SWITZERLAND

Lausanne
Fondation de l'Hermitage, tel: (21) 312-5013, closed Mondays. To Oct. 20: "Armand Guillaumin, 1841-1927." A lesser-known Impressionist.

UNITED STATES

Philadelphia
Museum of Art, tel: (215) 684-7860, closed Mondays. To Aug. 18: "Cezanne."

CLOSING SOON

Sept. 1: "The Aldonia Treasure." **National Archeological Museum, Athens.**
Sept. 1: "William Morris, 1834-1896." **Victoria & Albert, London.**
Sept. 1: "Being William Morris." **Pierpont Morgan Library, New York.**
Sept. 1: "Raoul Dufy, 1877-1953." **KunsthausWien, Vienna.**
Sept. 1: "Haute Couture and Classical Art." **Statens Museum for Kunst, Copenhagen.**
Sept. 1: "Leon Spilliaert, 1881-1946." **Het Paleis, The Hague.**
Sept. 1: "Marie Laurencin." **Kobe City Museum, Hyogo, Japan.**
Sept. 1: "Lucio Fontana." **Schirn Kunsthalle, Frankfurt.**
Sept. 1: "Friedrich Wilhelm Murnau: Die Kreative Kamera." **Filmmuseum, Dusseldorf.**
Sept. 2: "Henry Moore, 1898-1986: L'Expression Premiere, Dessins, Platres et Taille Directe." **Musee des Beaux-Arts, Nantes.**
Sept. 2: "In the Light of Italy: Corot and Early Open-Air Paintings." **National Gallery of Art, Washington.**
Sept. 2: "Amber: Window to the Past." **American Museum of Natural History, New York.**
Sept. 3: "From Bauhaus to Pop: Masterworks given by Philip Johnson." **Museum of Modern Art, New York.**

Prague Church Concerts: Off Key

By Martin Horak

PRAGUE — In summer the cobblestone streets of central Prague bloom with billboards selling concerts in Catholic churches. Earnest-looking young women attack the unsuspecting tourist with leaflets promising Mozart's Requiem. A total of eight seasons by Vivaldi are on offer: four in the public library's Mirror Chapel, four in the Church of Sts. Simon and Jude. Bold signs peddle three Ave Marias — Schubert, Gounod, Cherubini — for the price of one. A wealth of music tempts the visitor.

More often than not, however, tourists lured to Prague's church concerts are treated to high-priced, mediocre performances that repeat a tired selection of "greatest hits." Catholic officials and musicians lament the low quality, but the music agencies that reap most of the profits have little incentive to change their practices.

A Huge Market

Prague's church concerts tap into a huge tourist market for classical music. An average ticket costs about 300 Czech koruny ($10.90); a well-attended concert can bring in more than 100,000 koruny for the music agency organizing it. Rental of church space and fees for musicians eat up only a fraction of this figure. The rest goes to the agency. Not surprisingly, dozens of music agencies compete for church space each tourist season.

One of the most lucrative concert locations is the Church of St. Francis of Assisi, in the heart of Prague's Old Town. On a Tuesday night, the church is filled to capacity for a voice and organ concert billed as "Ave Maria and Other Famous Melodies." (An accurate billing would read, "Five Ave Marias and Four Other Famous Melodies.") The audience, largely foreigners, have paid three times the cost of an average Czech Philharmonic ticket for the one-hour performance. Still, most seem satisfied that they have received their money's worth.

"The musicians weren't first-class, but I think that the selection of music made up for that," says Elaine Simcoe, a visitor from San Diego, California. "And it's a really wonderful experience for me to hear Bach and Dvorak in such a beautiful setting."

Marek Cihar, musicologist for the Prague Catholic diocese, thinks that visitors should be getting much more for their money.

"I've been going to concerts regularly since January to report to the archbishopric on their quality," Cihar says. "Many agencies take advantage of the fact that tourists are only in Prague for a short while. They hire second-rate performers and play Ave Maria and The Four Seasons over and over again. The performers are lazy or don't have time to practice. Sometimes they never get past playing the pieces they learned at the Academy of Musical Arts."

JAKUB DOSTAL of the NHS agency admits that location and street advertising are the keys to large profits in the church concert business, so musical quality and variety often suffer.

"Few tourists decide to go to a concert on the basis of who is performing," he says. "Most choose on the basis of street advertising, so an attractive location and posters promising Ave Marias or Bach fugues are what bring the money in."

Ironically, the desire of church authorities to remain above the commercial concert scene increases profits for music agencies. Most parish officials charge about 7,000 koruny rent on average, even for the most attractive concert spaces. And because agencies sign rental contracts with individual parish offices, the archbishopric's demands for quality and variety are difficult to enforce.

Although they dislike the current situation, church officials say, the money gained from rental of church space is badly needed for restoration work after 40 years of communist neglect and pillage.

"When I took over supervision of restoration work at St. Nicholas' Church, the cost was assessed at 180 million koruny," says Cihar. "We started organizing concerts at St. Nicholas' simply to pay for rewiring the electricity."

WHY THEY PLAY Performers in church concerts are torn between their dislike of the monotonous repertoire and the attraction of relatively high pay, says the Prague Philharmonic's concertmaster, Rita Chepurchenko.

"What performer would enjoy playing the same piece 10 times in one season?" Chepurchenko asks. "However, performers get between 600 and 1,000 koruny each for a chamber concert, for example. If they play once every couple of days, they make three times the average orchestra wage."

According to Cihar, the archbishopric plans eventually to replace the current system with a single, nonprofit agency for church music, which "will make commercialism in churches a thing of the past." It is not clear when this will happen, however.

For the moment, Chepurchenko advises, avoid such concerts. "If a visitor comes to Prague for a few days only and goes to one of these low-quality church concerts, his impression of Prague's classical music scene will be spoiled forever."

Martin Horak is a reporter for The Prague Post.

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CROSSWORD

ACROSS
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25 Certain Hill
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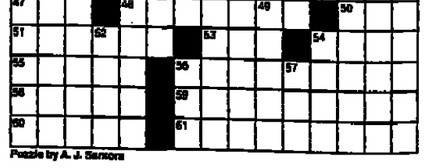

Puzzle by A. J. Santora

© New York Times/Edited by Will Shorts.

Solution to Puzzle of Aug. 29

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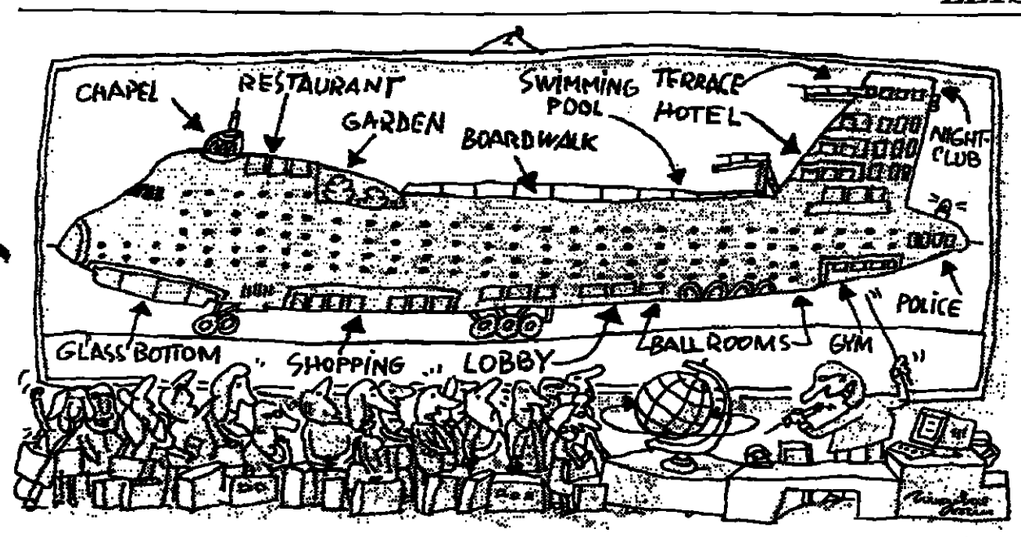

Nicolas Ascie/IHT

Long-Haul Travel Goes Ultralong

By Roger Collis
International Herald Tribune

THE promise (or threat) of ultra-long-haul travel has been fulfilled with United Airlines' new nonstop service between Chicago and Hong Kong. The airline claims that the 7,788-mile (12,980-kilometer) trip is the longest nonstop service in the history of commercial aviation. The flight takes 15 hours 55 minutes westbound from Chicago, but 15 hours eastbound because of prevailing tail winds. Such ultralong flights depend on a navigation system that uses satellites rather than traditional radar. The system, known as Future Air Navigation System, or FANS-1, allows aircraft to follow the most efficient routes, which saves time and fuel — shaving up to an hour off the flight time between Chicago and Hong Kong. FANS-1, which United helped develop with Boeing and Honeywell, is being installed on the carrier's 747-400s flying Pacific routes to Asia, Australia and New Zealand.

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Hertz has joined TravelWeb on the World Wide Web at http://www.travelweb.com/. To access Hertz, go into the TravelWeb site and click on the Hertz icon. On TravelWeb, you can also make interactive credit-card guaranteed hotel reservations within seconds at more than 8,000 properties around the world.

□

Dr. Richard Dawood, a travel health expert and editor of "Travelers' Health" (Oxford University Press), has opened The Fleet Street Travel Clinic in London, where business travelers can get personal advice tailored to their needs and travel plans. The clinic is an accredited yellow fever center and offers a full range of vaccines, up-to-date advice on malaria prevention, and a choice of insect repellents, medical supplies and health products. 29 Fleet Street, London EC4Y 1AA. Tel. (44-171) 353 5678; fax (44-171) 353 5500.

□

Few things are more embarrassing than dropping off to sleep during a flight and waking up to dirty looks from your neighbors. Help is at hand with 3M Breathe Right nasal strips, which open the nasal passages to increase air flow, thereby relieving congestion — and snoring. Stick the strips over the bridge of the nose and they gently "grab" the soft areas above the flare of each nostril, lifting and opening the nasal passages as you breathe. You can find them in drug stores and sport shops.

□

Internet users now have access to air fares — plus hotels and car rentals — at trade prices. Travel Information Software Systems, based in Heilbronn, Germany, lists more than 5 million consolidator fares, normally only available to travel agents. All can be booked via the system, with secure payment by credit card, or via a faxed invoice, which has to be settled 72 hours before departure. Access TISS on http//www.tiss.com or phone (49-71) 31 964 898.

□

The latest scam in Vietnam is run by the official porters at Hanoi's Noi Bai Airport, according to Business News Indochina. Porters will greet your taxi and whisk your bags, regardless of how small, a few steps away, then demand $5 a bag. You could refuse to pay except that these same "porters" also issue airport-tax receipts, which you must have to leave the country.

□

Qantas claims a world first with the opening of a lounge for economy class passengers at Sydney International Airport. The lounge is available for Qantas passengers connecting between domestic and international flights, and travelers from other airlines connecting to Qantas international flights. The split-level lounge can seat 280 people; it has a supervised playroom for unaccompanied children, a theater-style television viewing area and a reading section. Light refreshments are offered.

□

Culture Shock! guides provide a crash-course on the do's and don'ts of social and business etiquette, language, history, geography, culture, food and entertainment, language and religion for travelers, expatriates and corporations seeking a way through the cross-cultural maze. There are about 40 Culture Shock! titles spanning all corners of the globe from Australia and Afghanistan, to Singapore and Sweden. The guides cost $11.50 from Times Editions, Singapore, tel. (65) 284 8844, fax 285 4871; $12.95 from Graphic Arts Center Publishing, Portland, Oregon, tel. (1-503) 226 2402, fax (800) 355 9685; or £7.95 from Kuperad (London) Ltd., tel. (44-171) 424 0554, fax 424 0556.

Sophie Datorre

GOOD TRAVEL DEALS

AIRLINES		
AIR CANADA	North America	Triple miles on any published fare between Toronto and Kansas City. Until Oct. 5.
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CONTINENTAL AIRLINES	Europe	OnePass members resident in Europe earn double miles on flights between Europe and the U.S. Until Dec. 31.
CONTINENTAL AIRLINES	Britain to United States	Two business-class tickets for the price of one between London Gatwick and New York. Travel must be completed by Sept. 10.
CONTINENTAL AIRLINES/MCI	United States	Continental OnePass members earn 2,000 bonus miles for signing up for an MCI card plus 5 miles for every dollar you spend.
EASYJET	London to Amsterdam	No-frills one-way flights cost £35 ($54) on thrice-daily service from London Luton. This is the cheapest fare on the route with no restrictions.
QANTAS	Australia/Europe	Frequent-flier members earn 10,000 bonus points on selected flights in first or business class in each direction between Sydney or Melbourne and Frankfurt or Rome. Until Sept. 30.
HOTELS		
HYATT	United States/ Caribbean	Fall Promotion offers savings of at least 30 percent at 17 resort hotels, plus free golf, discounts on water sports, free meals for children under 10. For example, a three-night package at Hyatt Regency Head Resort in South Carolina costs $199 per person instead of normal $299. Until Dec. 18.
NEW ASIA TOMSON HOTEL	Shanghai	Singles/doubles for $112 a night. Until Dec. 31.
PRINCETON HOTEL	Dubai	Half-price introductory rates of 440 dirhams (about $114) for a "superior" room includes airport transfers and early check-in/late check-out, single/ double. Until Sept. 30.
SEDONA HOTEL	Rangoon	"Deluxe" singles for $135, doubles for $155 with buffet breakfast. Until Sept. 30.
VISTA INTERNATIONAL HOTELS	Asia/Australia	Stay two nights and get a third night free at properties in Melbourne, Alice Springs, Sydney, Adelaide, and Kuala Lumpur and Port Dickson, Malaysia. Until Oct. 31.
PACKAGE DEALS		
AIR NAMIBIA	Britain to Namibia	Business-class passengers flying from London Heathrow to Windhoek can claim a free night with breakfast at the Windhoek Country Club or Swakopmund Hotel. Economy passengers can stay at either hotel for £15 ($23) the first night and £22 for subsequent nights. Until Nov. 31.
HOTEL NIKKO/ JAPAN AIRLINES	London to Tokyo	JAL's first- and business-class passengers can claim an introductory discount of 50 percent on the normal hotel room rate of 27,000 yen.
NORTHWEST	Britain to North America	Buy a round-trip business-class fare at published price from London Gatwick to the United States or Canada and claim a weekend package for two people for two nights with partners Air UK and Golden Tulip Hotels in Madrid, Milan, Florence, Nice, Zurich, Frankfurt, Brussels, Amsterdam or Copenhagen. Outbound trans-Atlantic travel before Sept. 15 and return by Sept. 30.

Although the IHT carefully checks these offers, please be forewarned that some travel agents may be unaware of them, or unable to book them.

Suzanne Carmichael; Therese Frare for The New York Times

The cabin is one of just two houses on Frank Island, which the intrepid reach by crossing a sand bar at low tide.

Off Canada's Coast, a Wild Island

By Suzanne Carmichael

FRANK ISLAND, British Columbia — The first time my husband, Don, and I visited the rugged west coast of Vancouver Island was in 1974, on our honeymoon. We arrived in Victoria on a rainy December evening, checked into our hotel, then stopped at the bar for a drink. As we looked over a map of the island, a thoroughly inebriated lumberjack introduced himself. "The best place to go," he slurred, "is Vancouver Island's wild west coast." He then sketched out an entire itinerary for us. It was the best travel advice we ever received.

Since then we've visited Vancouver Island's remote west coast several times, most recently when we rented an isolated cabin on Frank Island, a private speck of land sitting in the Pacific Ocean about three miles (five kilometers) south of Tofino. The only way to reach the island is to follow a forest trail, cross a quarter-mile sand bar exposed only at low tide, then hike across jagged volcanic rock. It was a destination our lumberjack would have relished.

We had chosen Frank Island from a catalogue of British Columbia summer rental properties. The brief description, and four blurry black-and-white photographs, promised gorgeous surroundings and a "simple but very elegant" cabin with no electricity, telephone or indoor plumbing. We would have to take along all our food as well as ice if we wanted to use the outside icebox. It sounded like the perfect antidote to what had been a stressful year.

OVER THE SAND BAR We drove north from Victoria to the northern tip of Pacific Rim National Park. Then, following the owner's hand-drawn map, we unloaded our gear at the designated trailhead, timing our arrival to match the lower tide of the day when the sand bar was exposed. We slipped on our overstuffed backpacks, picked up what now seemed to be a battalion of tote bags, and headed down the cool, fern-lined forest path. We emerged on a deserted beach, a wide, lazy arc of damp tan sand linking two distant rocky headlands. As we trudged across the deep, fine sand, avoiding the occasional piece of bone-white driftwood, my load got heavier with each step and the sand bar seemed endless. I was glad we had chosen to forgo refrigeration and carried no ice.

Eventually the sand gave way to the island's terrain: dark black lava with sharp, jagged peaks stretching in every direction. Clumps of cedar trees and brush added bright green hues to the landscape. Our imprecise map indicated that the cabin was somewhere to our right, so we teetered across the rocks, finally locating a flight of weathered wooden steps leading up a small cliff. "This better be worth it," I muttered.

SEVERAL yards away, near a small canopy of evergreens, we discovered an octagonal cedar-board cabin. Rimmed with windows and anchored to the rocks with sturdy wood pilings, it sat above the rocky terrain like an elegant crow's nest on a rusty tramp steamer. A porch with thick rope railings and pots of pink petunias encircled the cabin, providing 360-degree views unsullied by any evidence of civilization.

At one spot the ocean spurted through a narrow gorge separating us from an uninhabited neighboring island that we soon named Eagle Island, after the pair of bald eagles that perched in its tall cedar trees several times a day. Our panoramic view also included distant northwest islands and dark green primeval forests, Vancouver Island's snow-flecked mountain ranges, and our sand bar, which was now quickly disappearing in the rising tide.

The cabin itself was a designer doll house. Six sides were picture windows, making the tiny interior seem spacious. Essentially, it was one airy room arranged around a central open kitchen, with a sleeping loft up a wooden ladder. Comfortable wicker armchairs and many hand-crafted touches made the cabin a snug, homey retreat. At night, propane sconce lights and rows of candles added a soft glow.

AN ADVENTURE EVERY DAY

Each day of our week's stay involved a bit of adventure. One day we explored the entire island, discovering driftwood beaches and watery canyons, offshore rocks favored by sea gulls and other rocks flat enough for sunbathing. At the southeast tip we discovered the island's only other house, a cabin almost hidden beneath a sweep of trees and luxuriant undergrowth, and apparently vacant.

Most days we got no farther than the tide pools in our lava "front yard." Teeming with Day-Glo purple and orange starfish, feathery neon-green anemones, and tiny unidentified creatures that flitted from shadow to shadow, each pool seemed to have its own singular character.

Although occasionally people wandered over to the island at low tide, they stayed their distance, sketching or bird-watching, and were quickly gone.

We left Frank Island reluctantly, lingering over little tasks, realizing that the tide would soon maroon us. As we loaded our lighter backpacks, we looked over at the adjoining island. The eagles flew into view, each landing in a tall tree, then turning in our direction. We waved good-bye as we headed across the lava and back to civilization.

Suzanne Carmichael lives in the Puget Sound area of Washington State and has spent several vacations on islands in British Columbia. She wrote this for The New York Times.

Copenhagen Enjoys Its Arts Year

By Alan Riding
New York Times Service

COPENHAGEN — Every year since 1985, a different European city has been designated the region's cultural capital, but the usefulness of this exercise has never been too clear. Athens, Florence and Paris hardly needed the extra attention, while the title alone could not turn Glasgow, Antwerp and Luxembourg into veritable cultural magnets. In any event, few Europeans outside each chosen city have even heard of the practice.

This year, however, Copenhagen may have found the right formula for success. Instead of trying to draw fleeting attention to one city in a Europe already swimming with arts festivals, the promoters of the latest cultural capital program have used the occasion to invest in the future, by both strengthening cultural organizations and stimulating local interest in the arts. Europe is the excuse, but Copenhagen is evidently the beneficiary.

True, if Denmark had contributed more than Hans Christian Andersen, Kierkegaard and Hamlet to the big names of universal culture, Copenhagen could well have been tempted to take the path of blockbuster exhibitions and the like. Instead, it has organized its cultural year from the bottom up, starting with beautifying the city and its environs and only later bringing some of the world's great artists to perform here.

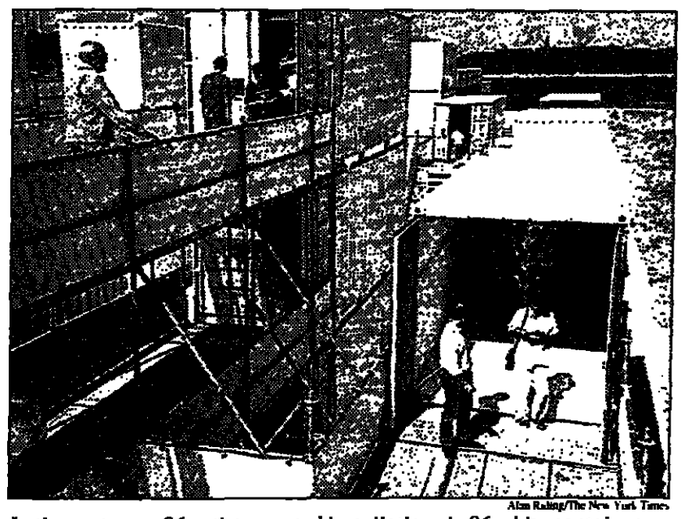
"Copenhagen '96 became a clearinghouse for projects long under discussion," said Trevor Davies, the 47-year-old Briton who has been running the $150 million cultural-capital project since 1992. "We wanted to get away from the idea of a year-long festival that drew big names and tourists but involved no long-term commitment."

A BOOST FOR DANISH CULTURE

When the year is over, then, Copenhagen should have much to show for it, including the renovation of two large city squares; the restoration of monasteries, castles and historic buildings; the installation of film, music, theater and architecture schools in the old naval station in the city's Holmen district and the construction of a stunning new Museum of Modern Art, designed by Soren Robert Lund to resemble the prow of a ship, in the suburb of Ishoj.

The year-long designation should also have gone some way toward drawing attention to Danish creativity in architecture, design, photography, movies, contemporary art and jazz.

A new musical, "H.C. Andersen," composed by a popular Danish musician, Sebastian, was a big hit. And of course "Hamlet" has made various entries, in Shakespeare's version, in Ambroise Thomas's 1866 opera and as a new ballet performed by the Royal Danish Ballet on a floating stage on the moat of Kronborg Castle in Elsinore.



Alan Riding/The New York Times

In the port area, 96 artists created installations in 96 white containers.

What may be more difficult to repeat is the glittering parade of international stars who have come here for the purpose, in Davies' words, "of opening Copenhagen to the world." Among those making their first appearances in Scandinavia were Pina Bausch's Wuppertal Dance Theater and Ariane Mnouchkine's Theatre du Soleil.

RAPTUROUS APPLAUSE Last weekend, it was the turn of the New York Philharmonic under Kurt Masur, which is on a nine-city European tour. The orchestra gave two concerts in Tivoli Park's concert hall to packed houses and rapturous applause appeased only by encores. On Sunday, the crowd kept cheering Anne-Sophie Mutter for her performance of Brahms' Violin Concerto until she offered a solo encore.

The highlight of Copenhagen's opera program for the year, the Scandinavian premiere of the complete version of Berg's "Lulu," also took place last weekend, performed on a large temporary stage in the Royal Riding Hall at Christiansborg Palace at the invitation of Queen Margrethe II of Denmark.

The production was by an American director, Travis Preston, with Ulf Schirmer leading the Danish National Radio Symphony Orchestra.

Although the advantages of performing in the cavernous hall rather than in the nearby opera house were not self-evident, Preston dealt skillfully with the absence of wing spaces by having the cast appear and disappear through trap doors. Fears of an acoustical disaster also proved unfounded.

But if the production was acclaimed on opening night, it was largely because of a young American soprano, Constance Hauman, who was singing the role of Lulu for the first time. Critics praised her handling of the immensely taxing score, and she injected deep poignancy into her portrayal of Lulu's fall from cruel splendor to humiliation and death, even appearing naked on stage so that Lulu's lover could write his letter of farewell on her body.

An entirely different version of the passage into hell was presented last weekend in an unusual adaptation of Dante's "Inferno" entitled "Acid Cirq" by the Danish choreographer Anita Saij. With music by two young Germans, F.M. Einheit and N.U. Unruh, a mixed German, English and Italian text by Andreas Ammer and an international troupe of jugglers and trapeze artists, Saij created a highly theatrical form of circus.

IN the visual arts, the prize for originality here this year has gone to a show called "Container '96 — Art Across Oceans," in which 96 artists from harbor cities around the world were invited to create installations in 96 white ship containers placed in a sort of "container village" on wasteland in Copenhagen's port area.

The "village," with containers stacked up to three high and linked by metal stairs and bridges, provides interesting insight into how contemporary artists from far afield confront the identical challenge.

Richard Torchia of Philadelphia used the camera obscura technique to project an image from the nearby harbor onto a wall, while John Dickson of Toronto placed five crates filled with sea water inside his container.

Artists from Africa brought materials, shapes and colors strongly evocative of their homelands, with Andries Botha and Sam Nsthangase of South Africa creating a huge woven basket with corn spilling across the floor.

Japan's artists in turn found magical ways of filling their space: Takamasa Kuniyasa used 20,000 small ceramic bricks and 800 pieces of firewood.

INTERNATIONAL

Baker Kept Up Secret Diplomacy in Syria After Bush Left Office

By Thomas W. Lippman
Washington Post Service

WASHINGTON — James A. Baker 3d hurled some barbed words during the Republican National Convention two weeks ago as he trashed the Clinton administration for its dogged efforts to nudge Syria into peace with Israel.

"Over the past four years," the former secretary of state said, "the Clinton administration has made over 22 trips to pay court to Syria's dictator and come up with exactly zero. When they write the history of Bill Clinton's foreign policy, they're going to call it Gullible's Travels."

That line drew laughs and applause, but as often happens in such a partisan environment, it did not tell the whole story.

Mr. Baker failed to mention that as the top U.S. diplomat in the administration of President George Bush, he often journeyed to Damascus and met for many hours with President Hafez Assad of Syria.

Moreover, now it turns out that Mr. Baker's contacts with Mr. Assad did not end when Mr. Clinton succeeded Mr. Bush.

The former secretary of state made a secret trip to Damascus in March 1995 and talked to Mr. Assad for more than six hours in an unsuccessful effort to break an impasse in negotiations between Syria and Israel.

According to an associate, Mr. Baker made that trip on the explicit understanding that it remain a secret, but after his speech at the Republican convention, Itamar Rabinovich, Israel's outgoing ambassador to the United States, told a reporter about it. Mr. Rabinovich has declined to say why he did so.

Mr. Baker declined to discuss the trip, but authorized an associate to confirm it took place and give an account of it.

According to the associate, Mr. Baker has a "standing invitation" to visit Syria, an outgrowth of the patient work he did in establishing a constructive relationship with Mr. Assad.

As secretary of state, Mr. Baker persuaded Mr. Assad to join the U.S.-led coalition of forces that drove Iraqi troops out of Kuwait, and later cajoled the Syrian president into taking part in the Middle East peace negotiations that began in Madrid in 1991.

One reason Mr. Baker was able to win Mr. Assad's assent to these moves, according to most accounts at the time, was that Mr. Assad and the Arabs, in general, perceived Mr. Baker and Mr. Bush to be more understanding of them and less totally committed to Israel than previous U.S. administrations.

Syria is on the State Department's list of governments that sponsor international terrorism.

But Mr. Baker, like Secretary of State Warren Christopher, judged it was essential to include Syria in peace negotiations if the goal of a comprehensive, region-wide peace agreement was to be achieved.

By the spring of 1995, Mr. Baker and his colleague, Edward P. Djerejian, former U.S. ambassador to Syria, "were quite concerned over the lack of progress" in negotiations between Israel and Syria on security arrangements that might be put in place once Israel withdrew from the Golan Heights, the associate said.

Mr. Baker took it on himself to go to Syria and Israel to deliver the message that an opportunity to achieve peace might be slipping away. He asked Mr. Djerejian to arrange a trip to Syria and Israel that would be, and remain, a secret.

They did not inform anyone in the Clinton administration in advance. Getting such a well-known person as Mr. Baker into Damascus undetected was no problem, the associate said, but doing it in Israel required "the cooperation of the prime minister's office."

Mr. Baker and Mr. Djerejian told Mr. Assad and then-Prime Minister Yitzhak Rabin of Israel that they thought an agreement could be forged but time was short and greater efforts were needed.

Upon their return, Mr. Baker sent a message to Mr. Clinton and Mr. Christopher saying that "with diligence and creativity an agreement could be reached."

In the ensuing months of 1995, as negotiations resumed, broke off and resumed again, it appeared Israel and Syria might at last be on a path to peace.

But nothing much came of the talks, and Israel and Syria are caught up once again in a climate of mutual fear and suspicion. Mr. Christopher is not planning a return to Damascus any time soon.

The State Department spokesman, Glyn Davies, declined to criticize Mr. Baker for his secret diplomacy, but said: "he went out, he came back, he wrote a memo for the secretary. Unfortunately, it didn't result in any breakthroughs."

Russia Leaders Grow Uneasy About Accord For Chechnya

By Lee Hockstader
Washington Post Service

MOSCOW — Russia's tortuous peace process in Chechnya seemed in grave danger of collapse Thursday amid growing concern that Moscow is quickly ceding all remnants of federal power in the breakaway republic to the separatist guerrillas.

As Russian television broadcast images of grinning Chechen guerrilla fighters shaking their fists in triumph and grim-looking Russian soldiers withdrawing from battle lines, Moscow seemed to grow increasingly uneasy with the peace process brokered last week by the national security chief, Alexander Lebed.

Prime Minister Viktor Chernomyrdin was said to be "extremely concerned" that the guerrillas were beginning to form their own government structures, according to Viktor Kounov, his press secretary.

Mr. Kounov said the victorious guerrillas were drawing up lists of pro-Moscow Chechens whom they intend to round up and repress, the Interfax news agency reported.

Mr. Chernomyrdin, who met with Mr. Lebed and other top military and security officials at the request of President Boris Yeltsin, believes Mr. Lebed's peace plan requires "serious modifications," Interfax reported.

Mr. Yeltsin, ailing and invisible, is on an extended vacation at a hunting lodge outside Moscow. He has not been heard from directly since last week, and he pointedly refused to meet with Mr. Lebed this week to offer his support for the peace plan, despite several requests.

In the Kremlinology that passes for political analysis in Moscow, the invocation of Mr. Yeltsin's name in critical comments about the peace plan Thursday suggests he is continuing to distance himself from it.

He may be doing that to undercut Mr. Lebed, whom he evidently sees as a potential rival, or to protect himself from criticism in case the current cease-fire collapses and the war resumes.

Despite the shaky support for his peace plan, Mr. Lebed was scheduled to return to Chechnya on Friday, this time in hopes of signing a broad political agreement ending the war.

He has already reached an accord with the rebel leaders on a cease-fire and withdrawal of the opposing forces, which was evident on the ground in Chechnya on Thursday.

The Russian military command said about 4,000 troops and 2,000 guerrillas had left the Chechen capital of Grozny by Thursday afternoon, and another 4,200 soldiers had pulled out of Chechnya's southern highlands, where the guerrillas have a strong presence.

The Chechen rebels have insisted on full independence from Russia. Nearly all Moscow politicians, including Mr. Yeltsin, insist that Chechnya must remain a part of the Russian Federation. Yet what has become apparent on the ground is that short of reigniting a messy war that has already cost more than 30,000 lives, Moscow has no way to enforce its writ now that its troops are withdrawing.

Unable to square that circle, Mr. Lebed's peace plan is said to delay a final decision on Chechnya's political status for several years — a cooling-off period intended to defuse the issue.

Gleb Garanich/Reuters

A Chechen resident weeping at the sight of her neighborhood as Russians started withdrawing from Grozny.

U.S. Says Iranians Help Iraqis to Evade Blockade

With Fake Papers, Ships Said to Sail Iran's Seas

By Steven Lee Myers
New York Times Service

WASHINGTON — The United States has accused officials in Iran of helping to smuggle refined oil products out of Iraq in violation of the United Nations sanctions by forging shipping manifests and allowing barges and small boats to ply its coastal waters.

Officials from the State Department and the United States Mission to the United Nations leveled the accusations Wednesday in New York during a meeting of the committee overseeing the strict sanctions imposed on Iraq after it invaded Kuwait in 1990. The committee did not act immediately on the charges, but asked the United States to put them in writing.

If Iran's government is implicated in violating the international embargo against Iraq, it could face stiff punishment, including sanctions, something the United States has called for in the past.

John R. Dinger, a State Department spokesman, said Thursday that the United States had "compelling evidence" that implicated Iranians in the smuggling, including the Revolutionary Guards, the elite troops closely tied to Iran's Islamic leaders.

He said that members of the Revolutionary Guards had provided — for a fee — bogus documents to ship captains intended to show that cargoes of Iraqi oil products like gasoline were loaded in Iranian, not Iraqi ports. The vessels, often tugboats pulling barges or other smaller ships, then traveled with impunity in Iran's territorial waters along the coast, allowing them to slip past the multinational fleet that patrols the Gulf.

Iran's delegate to the United Nations, Kamal Kharazi, denied that Iran had circumvented the international sanctions against Iraq, calling the accusations "part of Washington's anti-Iran propaganda," according to a statement by Iran's official Islamic Republic News Agency. He said that Iran had in fact tightened its coastal patrols to enforce the sanctions.

Iran's relations with its neighbor often have been hostile, with new confrontations flaring up periodically ever since the end of the eight-year war between the two countries in the 1980s. In fact, Iraq on Thursday accused Iran of sending troops into northern Iraq, apparently to strike at Iranian Kurdish guerrillas based there.

But Iraq's desperation to raise money has offered lucrative incentives, officials said, not only for Iran's Revolutionary Guards, but also for ship captains and other smugglers willing to take the risk of loading oil in Iraqi ports. These officials, who spoke on condition of anonymity, said the Iranians were making a greater profit on each shipment than the Iraqis.

The accusation, the officials said, was not likely to affect the recent agreement between Iraq and the United Nations to sell $2 billion worth of oil twice a year to buy food and medicine.

The officials acknowledged that they did not have a precise estimate on the amount of oil that may have been smuggled out of Iraq in this way, although they insisted it was considerable. From 1992 to 1994, Iraq tried to ship oil in large tankers, but the international naval force largely choked off that route, leaving open only shallower coastal waters.

Sudanese Guerrillas Free Missionaries

Reuters

NAIROBI — An aid agency plane left for southern Sudan on Thursday to bring out six Roman Catholic missionaries freed by rebels after being held for nearly two weeks.

The six were released by the Sudan People's Liberation Army on Wednesday night at a mission compound in the village of Mapourdit in southern Sudan.

The missionaries were detained after a local rebel commander and his men looted the mission on Aug. 17. The detainees included three Australian nuns, an American priest, an Italian brother and a Sudanese priest.

GERMANY: *Budget Estimates Cast Renewed Doubt on the Country's Ability to Meet Goals for Monetary Union*

Continued from Page 1

safe to assume that the already unpopular austerity programs, spearheaded by governments in both Bonn and Paris, would come under attack by opposition parties and labor leaders in both nations, she added.

Debates by lawmakers in both France and Germany for next year's respective budgets are scheduled for Sept. 10.

[Questioning Europe's drive to meet tough fiscal targets for the establishment of a single currency, the U.S. Treasury secretary, Robert Rubin, said it was unclear whether Germany and France would resume solid economic growth any time soon, Reuters reported Thursday from Chicago. There is a real question about growth in Germany and France," Mr. Rubin said in an interview.]

Investors have already worried that French unions were preparing to challenge the conservative government this autumn over its social and economic policies. Because national elections are scheduled in both Germany and France in 1998, it is clear that governments will be under pressure in 1997 to dilute their austerity plans, analysts said.

James Mitchell, a senior strategist at the investment house Deutsche Morgan Grenfell in London, said that any labor unrest in France would only slow the economy further, which would inflate deficits by eroding tax income and keeping unemployment high.

At the height of the nervousness Thursday, Mr. Chirac's office announced that he would travel to Bonn on Sunday for talks and dinner with Chancellor Helmut Kohl.

The meeting would give the two leaders, whose relationship has become the linchpin of European unity, the opportunity to show a united front in the face of uncooperatively sluggish economies. A spokesman for Mr. Kohl said the two would confer on "the entire range of current bilateral, European and international issues." In the wake of this week's financial market pressures, analysts expected European monetary union to get special attention.

Mr. Chirac strongly defended monetary union on Thursday. "The single currency will lead to lower interest rates and thus to more jobs," he said. "It will put an end to competitive devaluations, assuming strict rules are set, as we require, concerning the relationship between the euro and other European currencies.

"Finally, the single currency will give Europe the same weight as the U.S. in important financial debates. It will help rebuild a fairer, more stable, monetary order," he said.

Some economists were surprised that skepticism over the viability of the French and German budgets did not come earlier. Private economists have been forecasting a dramatic German budget overshoot for months and even the Bundesbank recently warned that Mr. Waigel's deficit target was unrealistic. Deutsche Bank for months had forecast a 1996 deficit of around 72 billion DM.

Such warnings were overlooked during the summer as investors and markets expressed an assurance that currency union would begin as scheduled in January 1999, mainly on the hopes that Europe's leaders would interpret the entrance criteria liberally.

But the pendulum of expectations abruptly swung back this week as politicians returned from summer vacation and faced their first order of business: government budgets for 1997.

In its optimistic 1997 draft budget approved by Mr. Kohl's cabinet in July, Mr. Waigel assumed a federal deficit of 56.5 billion DM, enough to usher the 1997 deficit to only 2.5 percent of gross domestic product, safely inside the target.

Despite growing mistrust of the government's arithmetic, the Germans kept to their script that the fiscal criteria could not be watered down. Both Mr. Kohl and the Bundesbank president, Hans Tietmeyer, insisted there was no room for laxity in judging the fiscal criteria.

"We know that the Euro must come and will come, at conditions which cannot be diluted as the trust of the public is at stake," Mr. Kohl said in a speech at a celebration to mark Mr. Tietmeyer's 65th birthday.

PARIS: *The Prospect of Bargain-Basement Property Deals Is Attracting U.S.-Style Bailout Experts to Europe*

Continued from Page 1

been notably absent, a fact that is interpreted two ways.

The bulls say vulture investing is simply an alien concept to most Europeans, who will enter the fray once an infrastructure is developed to assess distressed property.

Au contraire, say the bears. The Europeans are simply savvier: They figure the downturn in their property market is more structural than economic in nature and — unlike in the United States — there is less certainty of a robust recovery.

"They may not be aware of the money that can be made — or maybe they know something we don't," said Donald Wolf, a principal in J.E. Robert, a privately held real estate company in Alexandria, Virginia.

The deals so far have been limited to France and mainly involve real estate in the Paris metropolitan area.

Four years ago Paris was the first commercial property market on the Continent to run into trouble as demand for office space dropped, rents sank and borrowers started having trouble paying their loans. French banks, unlike some of their counterparts in Spain and Italy, had less of a capital cushion to absorb the losses.

The French government did move early to bail out a couple of major institutions, most notably the giant Credit Lyonnais, which was all too willing a lender in the late 1980s.

But the government's ability to ride in on a white horse has been constrained by its own need to reduce its spending and budget deficits in preparation for European monetary union in 1999.

The scope of the troubles in France is difficult to quantify; estimates range from $20 billion to $60 billion. And it is not certain how many of the properties involved will actually go on the block.

After France, bankers expect to see similar sales in Spain by early next year and then in Germany, Switzerland, Italy, and Belgium over the next couple of years. Some are even looking to Japan, although admittedly with a great degree of wishfulness.

At first glance, buying distressed real estate in Europe would seem like shooting fish in a barrel. Portfolios are selling at discounts to book value ranging from 50 percent to 75 percent, and banks and other financial institutions desperately need to clean up their balance sheets.

But the steep discounts reflect huge risks. First and foremost, bankers complain that information most Americans would consider essential for valuing a real estate portfolio either is not available or is available in a form that makes it all but impossible to use.

One banker said he was shocked when he received four large boxes filled with papers about one deal, rather than a computer disk with information in a user-friendly format. He pushed them into a corner and used them as a makeshift table for his plants.

"If the French banks and institutions were smart, they would start investing in developing an information infrastructure for buyers," he said.

Also, the recovery of the real estate market in Europe is less certain than it was in the United States, where falling interest rates and improving economic growth combined to create a hothouse environment for real estate.

But despite the risks, there is still a steady stream of bidders flowing in and out of the Paris offices of Lazard Freres. No one has forgotten that among the bulk sales of distressed real estate in the United States during the early 1990s, only one deal has lost money for its investors.

"Experience says that no matter how silly it sounds or how opportunistic it appears, they'll probably make a lot of money," said Craig Hatkoff, a principal at Victor Capital. "This is a business where you make a lot of money just for being there."

GROWTH: *Higher Rates Feared*

Continued from Page 1

next scheduled meeting of the Fed's main policy body is Sept. 24, and minutes of its July meeting published last Friday showed it had decided to lean in the direction of raising short-term rates.

■ Slumping Inventories

Slumping business inventories in the last quarter suggest the economy will keep expanding at a pace that, some economists say, will be enough to drive the inflation rate higher in coming months, news agencies reported. As supplies of goods in inventory decrease, factories are likely to try to increase their output, eventually running at full capacity and competing for workers, which would put upward pressure on wages and prices.

The dwindling inventories show "more momentum in the second quarter, which augurs still more in the third," said Jim O'Sullivan, an economist with J.P. Morgan. "There's plenty of room for the economy to grow in the second half."

Josh Feinman, economist at Bankers Trust, said that data on unemployment, combined with the GDP revision, give the Fed enough ammunition to move. He said he expected statistics next month to underscore the economic strength.

So far, evidence of a softening economy has been mixed. Housing activity appears to have peaked and retail sales and industrial production have slowed. But a surge in consumer confidence suggested that growth may not be slowing enough to forestall higher rates.

In a separate report, the Labor Department said new claims for jobless benefits rose last week by 4,000 to 331,000.

(Reuters, AP, Bloomberg, KRF/Global)

ISRAEL: *Emissaries Go to Arafat as Palestinians Start First General Strike Since 1993*

Continued from Page 1

Similar plans for 1,800 apartments announced Tuesday, together with the predawn demolition of an unlicensed East Jerusalem community center, prompted an incendiary speech by Mr. Arafat in which the leader of the Palestine Liberation Organization said Israel was "declaring a state of war against the Palestinian people."

A half-day general strike, intended as a pointed reminder of the six-year uprising against Israeli occupation, closed most Palestinian businesses Thursday but proceeded without violence. Israeli troops, who once used to force open shuttered businesses during the intifada, patrolled quietly in East Jerusalem and Hebron but made no effort to interfere.

Israeli officials continued to worry about a mass prayer rally called for Friday at Jerusalem's Al Aqsa Mosque. That holy site on the Temple Mount, adjacent to Judaism's Western Wall, has seen serious violence in years past. The police said they were mobilizing to prevent Palestinians from crossing illegally from the West Bank, which remains under a broad Israeli closure, to pray at the mosque.

The U.S. Consulate in Jerusalem, citing an increased risk of "demonstrations and disturbances" this weekend, faxed an advisory to news organizations Thursday night asking American citizens to "avoid unnecessary travel to the Old City of Jerusalem and the West Bank."

Fresh alarms in Israel's security establishment followed the reported illness Thursday evening of Sheikh Ahmed Yassin, the imprisoned spiritual leader of the Islamic Resistance Movement, or Hamas. Mr. Yassin, a 61-year-old quadriplegic who received a life sentence in 1989 for ordering the deaths of alleged collaborators, is widely revered even by Palestinians who do not approve of Hamas. Israelis and Palestinians alike believe his death in prison could easily prompt rioting and terrorist attacks.

Mr. Arafat's call for a brief general strike was his first return to direct action since Israelis and Palestinians reached mutual recognition in a White House ceremony in September 1993. He met Thursday with the Jordanian prime minister, Abdel Karim Kabariti, who said afterward that Jordan would not stand quietly if the rights of Muslims in Jerusalem were harmed.

Of the day's three diplomatic contacts, only the one between Mr. Shomron and Mr. Erekat was opened for news coverage afterward.

Mr. Shomron, who was Israel's senior uniformed officer during the worst years of Palestinian uprising, described the meeting as "very frank," with a "recognition on both sides that we have to work out understandings."

Mr. Erekat, who stressed Mr. Arafat's commitment to peace talks, described the prospect of reconciliation as "slipping through our fingers."

He said that only "the implementation of steps on the ground" could save it.

U.S. Is Ready to Let ValuJet Fly Again

Reuters

WASHINGTON — The U.S. Transportation Department said Thursday that ValuJet Inc. had sufficient funds and management expertise to resume flying.

The finding, which came just after the Federal Aviation Administration said it was returning ValuJet's operating certificate, is subject to final approval after a seven-day comment period. The carrier was grounded in June after a May 11 crash in Florida that killed all 110 people aboard.

The department said ValuJet would resume operating with a substantially smaller fleet of aircraft.

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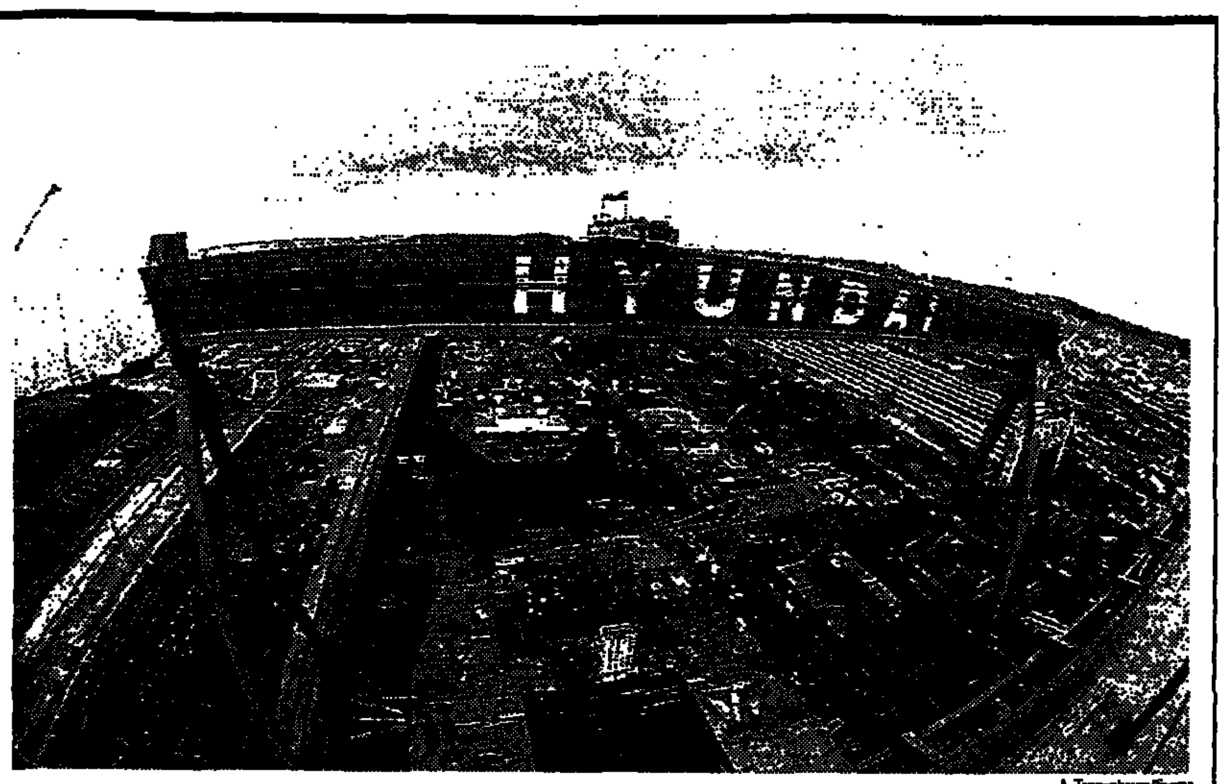


A. Tannenbaum/Sygma

The Hyundai naval shipyard at Ulsan, just one of the ever-expanding conglomerate's many enterprises.

Spin-Offs? Hyundai Just Grows

By Kevin Murphy
International Herald Tribune

SEOUL — When it comes to global industrial groups, nothing sprawls quite like Hyundai Group and its three big South Korean conglomerate rivals.

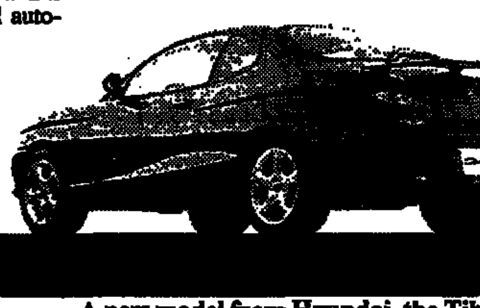
Elsewhere, corporate managers are talking about core competencies and selling off businesses perhaps better run by someone else. Spin-offs and sell-downs are stripping conglomerates down to basic operating divisions and those with clear business synergies.

But at Hyundai Group, which has grown since 1940 from a small automobile repair shop into an international corporation with 45 subsidiaries and close to $80 billion in annual revenue, old ways die hard.

On Thursday, Hyundai announced its intention to invest $10 billion to build Hyundai Merchant Marine Co. into the world's fifth-largest shipping concern.

On Wednesday, Hyundai Electronics Industries Co. said it would invest in a satellite telecommunications company in India, and on Tuesday the group committed 10 subsidiaries to investing $1.28 billion in the Malaysian state of Terengganu.

As it pursues grand plans to expand into still more businesses, Hyundai, like its main rivals Samsung, LG (formerly known as Lucky Goldstar) and Daewoo, shows no signs of narrowing its commercial focus, as management consultants might advise in other countries.



A new model from Hyundai, the Tiburon.

These companies, known as *chaebol*, had combined sales in 1995 that represented 80 percent of South Korea's gross domestic product.

The explanation, Korean business executives and analysts said, goes to the heart of the way the chaebol traditionally have managed themselves in a relatively rigid economic system.

"Korean chaebol may have diversified too much. Their business lines are too wide, and they touch every corner of life in Korea," said Lee Kye Ahn, senior vice president in Hyundai Group's office for planning and coordination. "But in Korea, if entering a new business area is very difficult, retreating is even harder to do."

Faced with strict labor laws that proscribe layoffs and a deeply ingrained corporate culture that champions diversification of risk and sources of finance, the chaebol have been slow to

See HYUNDAI, Page 17

Slimmer Daimler-Benz Turns In a First-Half Profit

By John Schmid
International Herald Tribune

FRANKFURT — Daimler-Benz AG said Thursday it swung back to a profit in the first half after Germany's largest company disposed of its biggest money-losing divisions in the past year.

The company, which has been undergoing a restructuring program for five years, signaled that it was not yet finished. Company executives said the postal automation business might be next, while analysts said other operations could eventually go on the auction block.

The full-year group net profit will be "at least" double the 782 million Deutsche marks ($582.7 million) earned in the January-June period, Daimler executives said in London.

As in past years, the group's Mercedes-Benz AG luxury car operations in the latest six-month period accounted for virtually all of the earnings, while the restructured and downsized aerospace activities posted a first-half loss, though a smaller one than a year earlier.

First-half figures were burdened by a one-time 400 million DM charge involving the divestiture of the unprofitable Dornier Luftfahrt GmbH turbo-prop maker.

Last year, Daimler had a 1.57 billion DM loss in the first half. By the end of 1995, the loss widened to a German record of 5.7 billion DM.

The latest first-half earnings came in at the upper end of analysts' forecasts.

"We are pleased that the tough steps we took last year are turning Daimler-Benz into a company focused on achieving world-class profitability," said Juergen Schrempp, management board chairman. "We are not there yet, but we are on the right path toward a total renewal of our company's creative energies and profit performance."

But the company's financial performance remained short of its "internal yardstick," he said, "so let there be no mistake: We have just begun." First-half group sales rose 1 percent, to 49.07 billion DM.

For the first time, the entire earnings report was prepared according to U.S. accounting standards.

Daimler's restructuring, considered brutal by German standards, has earned Mr. Schrempp the nickname of the "Rambo" of German managers.

Under his slogan, "Stop the bleeding," Mr. Schrempp sold Dornier, cut the financial lifeline to its Fokker NV regional aircraft subsidiary, sold off major portions of its AEG AG electronics unit then shuttered AEG's century-old headquarters in Frankfurt.

Instead of the 35 operating divisions that he inherited when he took over in May 1995, Mr. Schrempp now presides over 25.

Mr. Schrempp this summer sold off the marketing division at the group's Debis AG services division.

Investors, however, seemed not to be immediately impressed. Daimler's shares closed at 81.30 DM, down 0.02.

Klaus-Juergen Melzner, analyst at Deutsche Bank Research GmbH, said the operating profit at Mercedes was little changed at 1.41 billion DM from 1.37 billion DM, although first-half sales at Mercedes rose 6.1 percent to 37.7 billion DM.

"The quality of the earnings was disappointing," Mr. Melzner said.

The slump in Europe's heavy truck industry weighed on Mercedes earnings more than expected, he said.

Like other truck makers, Mercedes has had to resort to deep customer rebates, analysts said. Some observers now say Mr. Schrempp's next cuts will be the divestment of Mercedes's military transporters.

Mr. Schrempp said its truck operations represented "a particular problem that must be addressed." But for passenger cars, Mercedes ranks as "the most profitable automobile manufacturer in the world on a per-unit basis," Mr. Schrempp said.

The Temic GmbH microelectronics subsidiary also posted losses, and some have said it might also go up for sale.

One of Mr. Schrempp's success stories lies in the rail transportation division, which was folded into a joint venture with ABB Asea Brown Boveri Ltd., a Swiss-Swedish conglomerate. With 1.25 billion DM in first-half sales, the Adtranz rail group already is in the black, Mr. Schrempp said.

Daimler's aerospace division, Daimler-Benz Aerospace AG, remained in the red, but it cut its losses by almost 1 billion DM.

Daimler said it had to continue with the cost-cutting program at the division. Helped by new orders for the European Airbus Industrie consortium, in which the aerospace division holds a 38 percent stake, sales rose 9 percent, to 5.3 billion DM. With orders for 213 aircraft, Airbus has doubled its orders for new planes in the first eight months of the year compared with last year, Mr. Schrempp said.

WALL STREET WATCH

Bulls Running Back to Equity Funds

By Edward Wyatt
New York Times Service

NEW YORK — Where some investors see a correction, others see a buying opportunity. Mutual-fund investors, again shrugging off concerns that the bull market might be finished, have stepped up their purchases of equity mutual funds this month.

In addition, sales of stock funds in July were not as bad as an industry trade group estimated earlier, even though more money moved out of stock funds last month than in any other month since the October 1987 stock-market collapse.

Net flows into equity funds came to $6.2 billion in July, according to figures released Wednesday by the Investment Company Institute. That was down 57 percent from $14.4 billion in June, but it was sharply higher than the institute's preliminary estimate of $3.5 billion.

Much of July's unexpectedly strong net inflows represented new purchases, either from investors who had not previously ventured into stock funds or from those who saw the market's mid-month dip as an opportunity to capitalize on depressed prices.

Net new purchases, which consist of purchases minus reinvested dividends and redemptions, totaled $10.3 billion last month, down from this year's average monthly purchase of $20 billion but more than in seven of the 12 months of 1995.

Many investors who already owned stock funds, however, were visibly nervous last month, and those who regard themselves as adroit market timers were quick to pull the plug on their stock investments.

A total of $4.1 billion was moved out of stock funds and into bond or money-market funds, higher than in any other month since October 1987, when a record $6.2 billion was moved out of equity funds.

As a percentage of assets, the move in October 1987 — when the Dow Jones industrial average fell 22.6 percent in one day — was far higher than the one last month. Total assets in equity mutual funds totaled $240 billion in late 1987, compared with $1.5 trillion now.

But if investors were unnerved by the stock market's midsummer volatility, they appeared reassured and ready to plunge back into the equity markets in August. So far this month, investors in the Fidelity Investments funds run by FMR Corp. have reversed last month's outflows, which measured $500 million, and added a net $1 billion to stock funds, said Robyn Tice, a spokeswoman.

Vanguard Group and T. Rowe Price, meanwhile, said net inflows in August were equaling or exceeding July's totals, while at Charles Schwab & Co., operator of the biggest mutual-fund marketplace, last month's net outflows of $813 million have given way to net inflows of $1.5 billion.

AMG Data Services, an independent tracker of fund flows, said its four-week moving average of weekly cash flows into equity funds rose to $3 billion in the period ended Aug. 21, the most recent estimate available. The moving average plunged late last month after funds saw estimated net redemptions of $4 billion in one week in July.

"In all likelihood, net inflows this month will come out ahead of July," said Brian Mattes, a spokesman at Vanguard. With fewer fund managers outperforming the market this year than last year, Vanguard's index funds have gained in popularity.

The Vanguard Index 500 fund, which tracks the Standard & Poor's 500-stock index, by itself took in about one-third of the $1.3 billion that has flowed into Vanguard's stock funds so far in August, he said. In all of July, equity net inflows totaled $1.5 billion at Vanguard.

T. Rowe Price, which stopped giving details on its cash flows last month, saw net inflows more than double in August, Steven E. Norwitz, a spokesman, said. The inflow of new money fell from July's level, but investors began moving money back into stocks from money market and bond funds, reversing last month's trend, he said.

Bond-fund sales continued to slump, fund companies reported. Last month, investors withdrew a net $1 billion from bond funds, the second consecutive month of outflows, far exceeding the $214 million of outflows in June. The original estimate of net outflows for July was $1.5 billion.

Jardine Fleming Is Told To Pay Cheated Clients

International Herald Tribune

HONG KONG — Local and British securities-market regulators concluded an investigation of alleged serious misconduct in the fund-management arm of Jardine Fleming Holdings Ltd. on Thursday with demands that the group pay nearly $20 million to compensate cheated clients.

A five-month inquiry centering on the way fund managers allocated the results of trades from 1993 to 1995 to various accounts found that the company's former senior fund manager, Colin Armstrong, had "disadvantaged" three clients while favoring others, including his own personal account.

Directly controlled by the Hong Kong merchant bank equally owned by the Jardine Matheson group and the London-based investment bank Robert Fleming & Co., Jardine Fleming Investment Management Ltd. managed funds on behalf of a number of related group companies.

In addition, the investigation of Jardine Fleming Investment Management Ltd. by Hong Kong's Securities and Futures Commission and Britain's Investment Management Regulatory Organization discovered a pattern of "inadequate and ineffective internal controls and compliance monitoring" at the firm.

IMRO fined Hong Kong-based Jardine Fleming Asset Management Ltd. £400,000 $623,600) and stripped it of authorization in Britain, "due to the seriousness of its compliance failings" in the Hong Kong fund management industry's most expensive scandal to date.

Group companies Fleming Investment Management Ltd., Fleming Investment Trust Management Ltd. and Save & Prosper Securities, British entities that entrusted funds to the investment company, were also fined £100,000 each for failing over the course of two years to take sufficient steps to redress the problem or improve internal compliance systems.

"IMRO's investigation has amply illustrated the danger of firms paying insufficient attention to the responsibilities that arise when they delegate business to another entity, whether in the United Kingdom or overseas," said Phillip Thorne, IMRO's chief executive.

"Other firms would be well advised to review thoroughly their own arrangements relating to delegated functions," Mr. Thorne said in a report that detailed far-reaching compliance and supervision problems within the Jardine Fleming asset management operations.

When a fund manager makes a buy or sell decision on securities held by a number of funds under his supervision, the result should be equally allocated to all the funds.

But the Securities and Futures Commission found that Mr. Armstrong had allocated beneficial trades to some accounts, including his own, by processing the trading results unequally and after a mandated period of time.

A reconstruction of Mr. Armstrong's trading activities estimated that three accounts were disadvantaged by a total of 149 million Hong Kong dollars ($19.3 million), an amount that his former firm has been directed to repay to its clients.

Mr. Armstrong and Robert Thomas, former managing director of Jardine Fleming Investment Management, and Mr. Armstrong's ultimate boss, have had their professional registrations revoked by the securities commission.

"The SFC is committed to maintaining Hong Kong's reputation as an investment management center in which bad practice will not be tolerated," said Gerard McMahon, executive director for enforcement said. "Proper supervision and a strong compliance culture are critical to this process."

Regulatory problems at Jardine Fleming Investment Management come at a time of increasing concern by investors about practices throughout the emerging markets securities industry and as Hong Kong is under competitive pressures from other financial centers in Asia.

In the course of its investigation, the securities commission examined the personal trading-account records of about 30 Jardine Fleming fund managers and found only Mr. Armstrong in breach of its regulations.

— KEVIN MURPHY

Novell's CEO Resigns After 2½-Year Stint

The Associated Press

NEW YORK — Novell Inc. said Thursday that Robert J. Frankenberg had resigned as chairman, chief executive officer and president, ending a two-and-one-half-year tenure in which the software company failed to capitalize on an acquisition spree and returned to its roots.

John A. Young, former chief executive officer of Hewlett-Packard Co. and a Novell director, will become chairman of the Orem, Utah, company. Joseph A. Marengi, Novell's top marketer, will become its president. A search is underway for a new chief executive officer.

Mr. Frankenberg ended a 25-year career with Hewlett-Packard to join Novell as president and chief executive in April 1994. He succeeded the company's founder, Raymond Noorda, who spent more than $1.4 billion earlier that year to acquire WordPerfect Corp. and productivity software from Borland International Inc.

The company encountered difficulties trying to combine the productivity products with the networking software that had been its hallmark. WordPerfect fell far behind Microsoft Corp. in selling a so-called office suite of productivity applications.

Novell sold the WordPerfect business and former Borland products last year to Corel Corp. for $115 million in cash and stock. Royalties may eventually yield another $70 million to Novell.

Novell last week reported a profit of nearly $59 million for the quarter that ended July 27, down 42 percent from a year earlier, largely due to the sale of the WordPerfect operations. After a slowdown in the spring, sales of its core networking products picked up again in the most recent quarter.

Novell is adapting its main NetWare product to work with Internet-related software. Novell's stock closed Thursday at $10.375, down 62.5 cents.

CURRENCY & INTEREST RATES

Cross Rates

Aug. 29

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.66	2.585	1.1215	0.3274	0.1097*	—	5.446*	1.3072	1.5313*	1.215	1.325*
Brussels	30.42	47.4525	20.60	6.019	2.0117*	18.369	—	25.405	0.2812	22.34	24.38*
Frankfurt	1.4776	2.3025	—	0.2918	0.0764*	0.8918	4.855*	1.2266	1.3665*	1.081	1.1817*
London (a)	1.5571	—	2.3055	7.9044	2,358.36	2.5852	47.5875	1.8647	168.87	2.128	195.3227
Madrid	125.084	194.906	84.659	24.691	8.262*	75.493	4.1095	104.778	115.519*	91.509	—
Milan	1,519.50	2,356.35	1,024.20	299.30	—	912.58	49.815	1,265.39	13.993	1,105.85	12.12
New York (b)	—	1.5576a	1.4771	5.0613	1,513.00	1.6563	30.43	1.1948	108.42	1.367	125.085
Paris	5.066	7.894	3.4288	—	0.3344*	3.0575	0.1664	4.2436	4.6786*	3.766	4.0595*
Tokyo	108.50	169.15	73.39	21.43	6.718	65.46	3.5644	90.89	—	79.46	0.869
Toronto	1.3668	2.1298	0.9257	0.2698	0.0904*	0.8251	0.4491*	1.1438	1.2605*	—	1.092*
Zurich	1.1975	1.8647	0.8098	0.2359	0.0791*	0.7723	3.925*	—	1.1042*	0.8763	0.9547*
1 ECU	1.2864	0.8257	1.901	6.518	1,949.16	2.1318	39.1615	1.536	139.315	1.7588	160.918
1 SDR	1.4592	0.9366	2.1561	7.3923	2,209.08	2.4178	44.3816	1.7437	158.134	1.9926	182.582

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers, and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	236.49	Mex. peso	7.489	S. Afr. rand	4.507
Australian $	1.2641	Hong Kong $	7.7315	N. Zealand $	1.4428	S. Kor. won	819.10
Austrian sch.	10.388	Hung. forint	154.42	Norw. krone	6.417	Swed. krona	6.6227
Brazil real	1.0158	Indian rupee	35.75	Phil. peso	26.19	Taiwan $	27.48
Chinese yuan	8.3366	Indo. rupiah	2341.88	Polish zloty	2.74	Thai baht	25.29
Czech koruna	26.17	Irish £	0.6174	Port. escudo	151.53	Turkish lira	85999.5
Danish krone	5.712	Israeli shek.	3.1395	Russ ruble	5367.0	UAE dirham	3.6705
Egypt. pound	3.3874	Kuw dinar	0.2995	Saudi riyal	3.75	Venez. boliv.	475.25
Fin. markka	4.4708	Malay. ring.	2.4935	Sing. $	1.4065		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5577	1.5576	1.5576	Japanese yen	107.84	107.34	106.91
Canadian dollar	1.3651	1.3635	1.3621	Swiss franc	1.1907	1.1872	1.1841
Deutsche mark	1.4743	1.4714	1.4686				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Libid-Libor Rates

Aug. 29

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/16 - 5 7/16	2 7/8 - 3 1/8	2 1/16 - 2 1/8	5 3/4 - 5 7/8	3 11/16 - 3 13/16	7/16 - 9/16	4 9/16 - 4 11/16
3-month	5 1/2 - 5 5/8	2 7/8 - 3 1/8	1 15/16 - 2 1/16	5 13/16 - 5 15/16	3 15/16 - 4 1/16	7/16 - 9/16	4 7/16 - 4 9/16
6-month	5 5/8 - 5 3/4	2 15/16 - 3 1/16	2 1/8 - 2 1/4	5 15/16 - 6 1/16	4 1/16 - 4 3/16	1/2 - 5/8	4 1/4 - 4 3/8
1-year	5 15/16 - 6 1/16	3 1/4 - 3 3/8	2 1/4 - 2 3/8	5 7/8 - 6	4 - 4 1/8	5/8 - 3/4	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5.00	5 1/2
3-month CDs	4.92	5.04
CP 180 days direct	6.11	6.11
3 month Treasury bill	5.09	5.06
1-year Treasury bill	5.48	5.45
2-year Treasury bill	6.23	6.16
5-year Treasury note	6.62	6.55
7-year Treasury note	6.71	6.65
10-year Treasury note	6.85	6.78
30-year Treasury bond	7.04	6.98
Merrill Lynch 30-day RA	4.86	4.86
Japan		
Discount rate	0.50	0.50
Call money	0.40	0.40
1-month interbank	0.56	0.53
3-month interbank	0.56	0.63
6-month interbank	0.63	0.60
10-year Govt bond	2.99	3.02
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.05
1-month interbank	3.18	3.20
3-month interbank	3.20	3.20
6-month interbank	3.22	3.25
10-year Bund	6.36	6.38

Britain	Close	Prev
Bank base rate	5 3/4	5 3/4
Call money	5 11/16	6.00
1-month interbank	5 3/4	5 3/4
3-month interbank	5 13/16	5 13/16
6-month interbank	5 7/8	5 7/8
10-year Gilt	7.86	7.89
France		
Intervention rate	3.35	3.55
Call money	3 1/2	3 1/2
1-month interbank	3 9/16	3 3/4
3-month interbank	3 13/16	3 13/16
6-month interbank	4 1/8	4 1/8
10-year OAT	6.48	6.45

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Crédit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	388.50	388.25	–0.05
London	388.05	388.00	+0.50
New York	393.00	392.40	–0.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Disney and Kirch Sign Agreement

Bloomberg Business News

LONDON — Disney/ABC International Television, a division of Walt Disney Co., said Thursday it had signed a 10-year agreement to license television rights to the German media concern Kirch Group. Financial terms were not disclosed.

Disney/ABC is to license rights to pay television, pay-per-view events and live-action films produced by Disney movie studios such as Hollywood, Disney, Touchstone and Miramax Pictures to Kirch Group.

Disney also said it would develop a Disney Channel that carried programming made for German audiences.

London-based Disney/ABC International Television oversees global broadcast, cable and pay-TV products.

This announcement appears as a matter of record only

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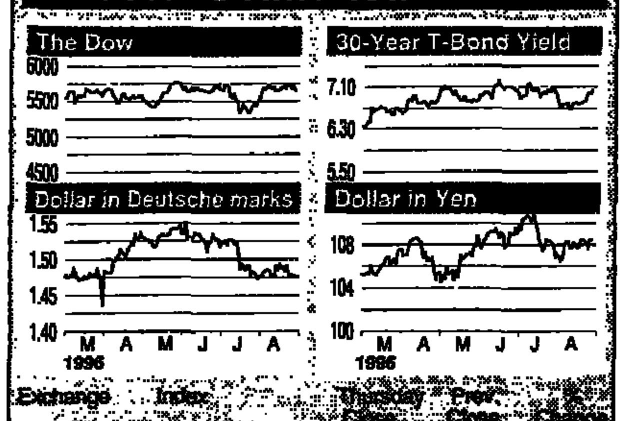

Exchange	Index	Thursday Close	Prev. Close	% Change
NYSE	The Dow	5647.65	5712.38	-1.13
NYSE	S&P 500	657.40	664.81	-1.11
NYSE	S&P 100	634.07	641.55	-1.17
NYSE	Composite	353.36	356.79	-0.96
U.S.	Nasdaq Composite	1145.32	1153.92	-0.64
AMEX	Market Value	561.34	563.39	-0.36
Toronto	TSE Index	5162.83	5184.09	-0.41
São Paulo	Bovespa	62532.80	62099.38	+0.70
Mexico City	Bolsa	3334.99	3410.88	-2.23
Buenos Aires	Merval	509.34	516.16	-1.32
Santiago	IPSA General	5307.27	5327.11	-0.37
Caracas	Capital General	4664.42	4738.11	-1.56

Source: Bloomberg, Reuters — International Herald Tribune

3M Puts Faith in New Products

Compiled by Our Staff From Dispatches

ST. PAUL, Minnesota — Minnesota Mining & Manufacturing Co. said Thursday it expected earnings to grow 10 percent annually in the next three years, assuming reasonable worldwide economic conditions.

The chief executive, L.D. DeSimone, said earnings would benefit from innovations in several product areas, including structured abrasives and materials that would replace ozone-depleting chlorofluorocarbons. New capital investments will total about $1 billion worldwide in 1996, he said. In the process, the company is stepping up its search for major new products.

The company, which makes Post-It notes and Scotch brand adhesive tapes, said it would devote 20 percent of its annual research budget, or about $180 million based on this year's research spending, to that goal. It estimated that the first 25 candidates in its new program could eventually produce about $6 billion in annual sales. Most of them should reach the market by 2000, the company said.

Bill Coyne, 3M's senior vice president of research and development, said each product must have large growth potential and offer a high return on invested capital. In addition, each of the products developed for business customers must have the potential to change the way they do business, he said.

3M isn't devoting any new dollars to the program, however. It instead will be reallocating part of this year's $900 million research and development budget.

Heading the list of new 3M products are structured abrasives, or abrasives put onto sandpaper in tiny pyramids. These make products last longer, give a smoother finish and generate less heat, 3M said. The company also hopes to market the sandpaper as a replacement for the chemical slurry currently used in semiconductor wafer manufacturing.

The product is to make its debut in the first quarter of next year. Other products under development include film that enhances the brightness of the screens of computers, cellular phones, pagers and other consumer electronic products; flexible circuitry for use in digital photography; chemicals to replace chlorofluorocarbons, which deplete the ozone layer, and a new treatment for genital warts.

On Aug. 16, 3M won approval for the first CFC-free asthma drug inhaler. It said it expected $350 million in sales for that product by 2000. *(AFX, Bloomberg)*

Economic Data Send Wall Street Reeling

Compiled by Our Staff From Dispatches

NEW YORK — Unexpectedly robust housing sales and a revision of economic growth data sent stocks and bonds sharply lower Thursday as traders worried anew that interest rates might rise.

The Dow Jones industrial average ended down 64.73 points, at 5,647.65, as declining issues led gainers by a 16-to-7 ratio on the New York Stock Exchange.

Stocks were following bonds, as the benchmark 30-year Treasury fell 24/32, to 96 14/32, raising its yield to 7.04 percent from 6.98 percent Wednesday.

The government reported that the economy grew at a 4.8 percent annual rate in the second quarter, instead of the 4.2 percent rate reported earlier, the fastest rate in two years. Later, it said new-home sales rose 7.9 percent in July.

The reports stirred fears of renewed inflation, which could prompt the Federal Reserve Board to raise interest rates. Higher rates would raise corporate borrowing costs and cut into profits.

Still, there was little sign of inflation. A revision of a price index tied to GDP lifted it to an annual 2.1 percent from 2 percent in the initial report, still down from 2.3 percent in the first quarter.

"While I think the numbers are not terribly disturbing," said William Dodge of Marvin & Palmer Associates, "they're sufficient to bother the bond market."

"Everybody's waiting for the economy to continue to soften," said James Kenney of Prudential Securities Inc., "and the numbers keep coming out stronger."

On the stock market, beverage and drug issues led the decline in thin trading ahead of the U.S.

U.S. STOCKS

Labor Day observance Monday. Such stocks as Coca-Cola and Pfizer have risen to multiples of dozens of times their estimated earnings potential as investors have sought refuge in their consistent profits. But Coke closed down ⅞, at 50⅜, as traders rethought a share price 36.4 times estimated earnings for 1996.

"I have to take a second look when Coke is selling at a higher multiple than Microsoft," said Edward Laux, head of trading at Chicago Corp. Microsoft, which grew at twice the rate of Coke in the past 12 months, trades at 30.8 times estimated earnings. Pfizer, which trades at 24.4 times estimated earnings, fell 1¼ to 72¼.

PepsiCo fell 1¼ to 28¾ in the most active trading on the Big Board. Goldman Sachs downgraded the rival of Coke.

Sierra Semiconductor led a rally in its sector, rising 2⅝ to 11⅞ after it announced a $50 million to $60 million charge related to its exit from modem-chip production. *(Bloomberg, AP, Reuters)*

Mexico's Trade Surplus Swells by 45%

Bloomberg Business News

MEXICO CITY — Mexico's current-account surplus broadened 45 percent from a year earlier, to $641 million from $441 million, in the quarter ended June 30, the central bank said Thursday.

After the country's deficit of $118 million in the first quarter, Mexico's current-account surplus came to $523 million in the first half, reversing a deficit of $751 million in the year-earlier period.

The central bank attributed the quarterly surplus to a positive trade balance overall, as well as a net inflow of capital from tourism.

Money transfers from Mexican workers living abroad also helped, the central bank said.

The current account is a broad measure of Mexico's trade, service and investment flows to and from other countries. Surging exports helped Mexico record a trade surplus of $2.19 billion in the first half of this year.

Mexico also registered a surplus of $286 million from transactions in the nonmanufacturing service industry, which includes tourism revenue, as well as insurance and transport fees.

At the same time, Mexico posted a $1.22 billion surplus from international money transfers, most of which are carried out by Mexican workers living abroad.

The only portion of Mexico's current account that registered a second-quarter deficit was the one measuring interest payments and interest revenue. That portion recorded a $3.05 billion deficit in the April-June period.

Very briefly:

GM to Sell Its Avis Stake to HFS

PARSIPPANY, New Jersey (Bloomberg) — HFS Inc. said Thursday that General Motors Corp. had agreed to sell its stake in the rental-car company Avis Inc. as part of HFS's bid to acquire Avis for about $800 million in cash and stock.

General Motors owns preferred stock that is convertible into a 29 percent stake in Avis. Terms of the purchase of the preferred stock from GM were not disclosed. Last Friday, HFS reached a final agreement with the Avis employee stock ownership plan to buy Avis.

Cox to Spin Off 28% of Radio Unit

WASHINGTON (Bloomberg) — Cox Enterprises Inc. will spin off 28 percent of its soon-to-be public Cox Radio Inc. in an initial public offering.

The company expects to sell 7.5 million Class A common shares at $15 to $17 each, according to a filing with the Securities and Exchange Commission. Cox Radio will raise $109 million, after expenses, if the stock sells at $16 a share, the filing said.

Atlanta-based Cox Radio plans to use the funds to repay $107.1 million of debt to Cox Enterprises. Some of the proceeds will also be used for general corporate purposes.

• **Sunbeam Corp.** named Richard Brenner vice president of worldwide business planning to help with the marketing of the company's consumer products. He formerly worked for Procter & Gamble Co. as a marketing director and product manager for such brands as Secret, Sure and Noxzema.

• **Litton Industries Inc.** posted fourth-quarter net income of $42.7 million, or 89 cents a share, compared with $38.7 million, or 81 cents a share, a year earlier. Revenue rose to $1.03 billion from $975.1 million a year earlier.

• **Amitrol Inc.** of Warwick, Rhode Island, said it agreed to be purchased by an affiliate of the New York-based Cypress Group private investment fund for $218.9 million in cash, or $28.25 a share. *Bloomberg, KRF/Global*

Dollar Is Mixed as Single-Currency Concerns Hit the Franc

Compiled by Our Staff From Dispatches

NEW YORK — The dollar was mixed against major currencies Thursday, gaining slightly on the Deutsche mark and the French franc but sliding against the yen.

The dollar was bolstered early in the day after the U.S. Commerce Department said the economy grew at a 4.8 percent annual rate in the second quarter, up from an initial estimate of 4.2 percent, and faster than economists had expected. A separate report showed that sales of new homes unexpectedly jumped 7.9 percent in July.

The two reports reinforced expectations that the Federal Reserve Board might soon raise interest rates to prevent the economy from overheating, a move that could help the dollar by making deposits in the currency more attractive.

"We've seen strengthening in the dollar, reflecting that the Fed may do something," said Karl Halligan, vice president of strategic trading at CIC Bank of New York. "The economy's doing well, and there's expectation that third-quarter numbers may come out stronger than the first forecasts."

Still, further gains in the dollar may be

FOREIGN EXCHANGE

limited until the economy shows more signs of strength, analysts said.

"We're limited by the notion of new motivating factors," said Richard Koss, a currency strategist at MFR Inc. "For the dollar to get higher, you'd need something that's going to show the Fed it needs to tighten before the election."

Meanwhile, French and German officials said in separate announcements that they planned to stick to the 1999 deadline for a single European currency, but market doubts about the timetable continued to pressure the French franc.

President Jacques Chirac said a single currency was in France's best interests because it would increase growth and jobs and give Europe more muscle in the world's monetary affairs.

Chancellor Helmut Kohl of Germany and Hans Tietmeyer, president of the Bundesbank, said there was no room for laxity in meeting economic criteria for the planned common currency.

The worries about the single currency's deadline have helped the Deutsche mark gain against the franc recently as investors have feared that social unrest would prevent France from cutting public spending enough to meet the financial terms for the currency union.

The mark rose Thursday to 3.4285 French francs from 3.4257 francs.

Germany's restatement of its hard-line approach came at a critical time, with a growing number of dissenting voices raised against the austerity measures that Europe must implement if it is to bring its budgets into line by a 1997 deadline.

The dollar closed at 1.4771 DM, up from 1.4768, and at 5.0613 French francs, up from 5.0600. The pound fell to $1.5576 from 1.5595.

The dollar also gained on the Swiss franc, closing at 1.1948 francs, up from 1.1927, but fell against the yen, ending at 108.420 yen, down from 108.455. *(Bloomberg, Reuters)*

AMEX

Thursday's 4 p.m. Close

The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AM Intl	495	2½	2½	2½	—
AMC	819	18⅞	18	18⅛	—¼
ARC	85	2⅞	2⅝	2⅞	—
ASR Inv	81	19½	19⅜	19½	—
Acadiana n	162	13⅞	13⅝	13⅝	—⅛
Action	115	2 11/16	2 9/16	2⅝	—1/16
AdvMag	105	17⅞	17¾	17¾	—
AdvMed	2107	3 1/16	3 1/16	3⅛	—
AdvPhot	668	3⅞	3 11/16	3⅞	+3/16
AirWat	273	8½	8¼	8⅜	—⅛
Alfin	97	2¼	2⅛	2⅛	+1/16
AlldRsh	79	5⅝	5⅝	5⅝	—⅛
Alphain	276	8⅜	8	8¼	+1/16
AlpinGr	155	5½	5⅜	5½	—
AltLiving n	271	14½	14¼	14⅜	—⅛
Amdhl	2435	10⅛	9 13/16	9⅞	—⅛
AIM 85	83	14¼	14	14¼	—
AIM 86	78	12⅝	12⅝	12⅝	—
AmerPos	86	6⅝	6½	6½	—⅛
Ampal	108	4⅞	4⅝	4 11/16	—1/16
Ampex n	2800	7 13/16	7 9/16	7½	—¼
AstLiving	212	19½	19¼	19½	+¼
Astrotc	92	5½	5¼	5 7/16	+3/16
Autotote	576	2	1⅞	1⅞	—⅛
Azco	354	1⅞	1 11/16	1 13/16	+1/16
BAT Ind	606	13¾	13⅝	13⅝	—¼
BHC	237	93⅜	92¼	93⅛	+⅜
Baldw	80	3 5/16	3⅛	3¼	—
BarrLb s	72	26	25½	25⅞	+⅜
BayMeg	804	18⅛	18	18⅛	—
BSNk wt97	100	8¾	8½	8½	—⅜
BSYn pwt97	70	7	7	7	—
BemaGold	13629	8 1/16	7 11/16	7⅞	—1
BioR A s	126	28⅛	27¾	28⅛	+⅛
Biovail s	4451	30⅛	28¼	29¾	+1½
BNJQ	74	11⅝	11½	11½	—⅛
BlairCp	75	22⅝	22¼	22¼	—½
BlandT n	521	9⅜	9	9⅜	—⅛
Boshtd n	553	12⅛	12⅛	12⅛	+⅛
Bowne	120	20⅜	20	20⅜	+⅛
Buffton	70	1 11/16	1 11/16	1⅝	—1/16
CE Frnk g	230	2⅝	2½	2⅝	—
CET Envs	84	5 9/16	5⅜	5 9/16	+1/16
Cablvsn	265	42½	41⅞	42⅛	—
Cablvs pf	1044	25	24⅞	24⅞	+⅛
Cabletel g	90	5⅝	5⅝	5⅝	—⅛
Calton	79	5/16	5/16	5/16	—
Combver	123	15¼	15⅛	15⅛	—
Cambrx s	112	33	32⅛	33	—
CanyonRs	233	3	2 11/16	2 15/16	—
CashAM s	1192	22⅝	21⅝	22⅛	+⅜
CasFd	92	25⅛	24⅞	24⅞	—
CentennT	403	35⅛	34⅝	34⅞	—⅛
CFCdo g	510	4⅝	4½	4⅝	+1/16
CentSe	140	22⅝	22⅜	22½	—
CheySoft	1220	19⅛	18¾	18⅞	—⅛
Chief	214	20¼	20	20⅛	+⅛
Chfin pf	209	27⅜	27⅛	27⅛	—⅛
CitFFin n	87	11	10⅞	11	—
CoRLb	238	12⅝	12⅜	12½	—
CollEng	116	10⅛	9⅞	10	—
Comforce	325	18¼	17⅝	18⅛	+½
CmclAst	92	6¼	6 3/16	6 3/16	—
CmdrAp n	84	8⅝	8⅝	8⅝	—¼
CmdrA wt	79	3	2⅞	2⅞	—1/16
Cross	286	12	11 15/16	12	—
ecCrwnL	304	1⅜	1¼	1¼	—⅛
Cubic s	88	18½	18⅜	18¼	—
Cycom gs	384	4 15/16	4 11/16	4¾	—⅛
Di Ind	664	1⅝	1 9/16	1½	—
Datamet	367	2⅝	2¼	2 7/16	—
Dataram	275	7½	7 5/16	7⅜	+⅛
DaytonMn	153	7⅝	7 9/16	7⅝	—
DenAmer	270	3⅝	3½	3½	—⅛
DevnE	1053	23⅛	22⅝	22⅞	—⅛
Dialcm	2112	13¼	12⅝	13¼	+⅜
DiaBCT	82	1⅝	1½	1½	—⅛
DolAmEx	288	42½	41⅜	41⅜	—¾
DryMu	125	9 9/16	9½	9 9/16	—
DryNY	71	10¼	10	10¼	+⅛
EZ Serv	281	2 1/16	2	2	—1/16
EchoBay	4290	10¼	10	10	—⅛
Edisto	275	10⅝	10⅝	10⅝	—
Edisek	139	1	15/16	1	—
ElPasoE n	177	5⅝	5⅜	5⅜	—
EmerR	565	2 9/16	2 7/16	2½	+1/16
EmpCor	112	5⅝	5 7/16	5 7/16	—3/16
Enzobi	268	17¼	17 1/16	17⅛	—
ExTope	237	15	14⅝	14¾	—⅛
FemNth	424	4 11/16	4⅝	4 11/16	—⅛
Florbd	267	30⅛	29⅝	30	—¼
FtAust	256	8½	8 7/16	8 7/16	—1/16
FAusPr	1951	8⅝	8 9/16	8⅝	—
Friber	218	8 11/16	8 11/16	8 11/16	—⅛
ForstLb	670	41⅝	41⅛	41¼	—⅜
FortPet	1035	2¼	2	2 1/16	—3/16
FrnkSel	85	4¾	4⅝	4 11/16	—1/16
FredEl	95	8 9/16	8¼	8⅜	—
Fresenius	1263	24¼	24	24¼	+½
FrontAdj	164	3	2⅞	2⅞	—
GA Fncl n	175	12	11⅞	12	+⅛
GST Tele	6400	11⅞	11¼	11⅞	+1⅛
GayICn	911	7 11/16	7⅜	7½	—⅛
GeimSci	1396	29⅝	28½	29	+¾
GnAuto	229	2⅛	2	2	—⅛
GenvDr	412	17⅜	17¼	17⅜	+⅜
GeichGld	1183	43⅞	40½	42¾	+2¼
GiantFd	633	33⅝	33⅜	33⅜	—
Glamt	843	18½	18¼	18¼	—⅛
GoVideo	577	1 7/16	1 5/16	1 7/16	+1/16
GldStarR	471	18⅝	18¼	18¼	—½
Grang g	115	1 11/16	1⅝	1 11/16	—
GrnSICA	81	12⅝	12	12	—
GreyLne	334	3½	3⅜	3⅜	—1/16
GnlGam	522	19½	19⅛	19⅜	—⅛
GrSimec	150	4⅝	4½	4⅝	—¼
ecHalImF	81	1⅝	1 9/16	1 9/16	+1/16
Halsey	345	4⅞	4½	4½	—⅛
HanoDr	130	6	5⅞	6	—
HanvDir	575	1⅛	1	1⅛	+1/16
Han wtB	152	1/16	1/16	1/16	+1/16
Harken	3173	2⅝	2 9/16	2 9/16	—1/16
Harold	92	14⅛	14⅛	14⅛	—
Hasbro	1647	37⅝	36¾	37¼	+⅜
HawAir	857	2 7/16	2⅜	2⅜	—
HawAir rt	390	½	7/16	7/16	—1/16
HlthPro s	898	4¼	4	4 3/16	—
Hearx n	1139	4 1/16	4	4	—⅛
HealC	281	7⅝	6½	7⅝	+1⅛
HghldInc	88	11¾	11⅝	11¾	—⅛
Hondo	225	15½	15	15⅜	+½
HooPMe	354	12⅝	12¼	12⅝	+⅜
HudGn	118	36⅝	35⅞	36⅜	+½
ICG Com	945	23¼	22⅞	22⅞	—⅜
Identix	444	9½	9 7/16	9 7/16	—1/16
ImpCM n	242	18⅛	17⅞	18	—⅛
ImpOil g	302	43⅜	43⅛	43⅜	+⅛
InCtPd	382	3⅜	3	3⅜	+⅛
InterDig	2817	8 9/16	8¼	8⅜	—⅛
Intrmgn	270	14⅝	14½	14½	—⅛
IRIS	140	8½	8¼	8⅜	—⅛
Intrsystm	126	1½	1⅜	1 7/16	+1/16
IntPoly s	81	20⅝	20⅜	20⅝	+⅜
IonLaser	292	14⅝	14⅛	14½	—
IvaxCp	4159	16⅛	16	16⅛	—
JTS Corp	1193	4⅛	3 15/16	3 15/16	—⅛
Jefronic	130	1⅛	15/16	15/16	—3/16
Jonsinf	160	12⅜	12¼	12¼	—⅛
KV Ph A	185	12¼	12	12¼	+⅜
Keane	1474	47⅜	46⅝	47	+1⅜
Kenwin	152	2 9/16	2 7/16	2⅝	—
Kirby	178	16⅝	16⅜	16⅜	—⅛
KogrEq	374	16	15⅝	15⅝	—⅜
LXRBiot	881	2 11/16	2 9/16	2½	—
LaBarg	330	5⅝	5⅝	5⅝	—⅜
LsrTech	134	4⅝	4½	4⅝	—1/16
LillVern	281	11⅝	11½	11½	+⅛
MAI Sys	119	7⅜	7¼	7⅜	—
MC Shp	181	4⅛	4	4	—1/16
Magellan	4621	17¼	16⅝	17⅛	+½
Marlton	497	3⅞	3⅝	3 13/16	—1/16
Matec	486	6	5⅛	5⅞	+1
MaximPh n	178	10	9⅝	9⅝	—⅜
MaxmP wt	72	2 11/16	2 11/16	2 11/16	—⅛
MedcR	350	9½	8⅞	9	—
Medo	156	31⅝	31¼	31¼	—⅜
MediaLog	184	5⅝	5⅝	5⅝	—
Medq	131	5⅝	5¼	5⅜	—3/16
Metromda	1212	12	10⅞	11	—⅞
Microtel	721	¾	11/16	11/16	—
MinnTr2	102	10	9 15/16	10	—
MSHK wt97	230	5⅜	5¼	5¼	—⅛
MSNIk 97wt	114	7⅜	7⅛	7⅛	—⅜
MntogieE	1741	3 1/16	2 15/16	2 15/16	—1/16
MovieStr	207	1 1/16	1 1/16	1 1/16	—
Munvst	437	9 5/16	9 3/16	9¼	+1/16
Myersind	79	15⅝	15⅜	15⅝	+⅛
NFC	75	14½	14⅛	14½	+¼
NTNCom	7680	5⅝	4 11/16	4¾	—⅝
Nabors	448	14⅞	14⅝	14⅝	—¼
Nantck	130	5⅛	5	5	—
NatlRev	155	18⅛	17¾	17¾	—⅛
NatAlt	142	8¼	8	8¼	—⅛
NYTEl	174	10½	10⅜	10½	—
NY Times	3869	32	31½	31⅞	—⅛
NA Vacc	709	22⅝	22	22⅝	+½
OmniMult	163	4 7/16	4 5/16	4⅜	—1/16
Oncor	161	5	4⅞	4 15/16	—
Oranon s	362	18	17¾	17¾	—¼
Oshmn	148	5½	5 5/16	5½	+¼
PC Quote	534	5⅝	5⅜	5½	—⅛
PGECap pf	110	24⅞	24¾	24⅞	—⅛
PLC Sys	427	20⅞	20	20⅛	—
PMC CT	110	16⅝	16⅛	16⅝	+⅛
PacGulf	307	18⅝	18⅜	18½	—
PaxsnC	1067	10⅝	10⅜	10⅝	—⅛
PegGld	3265	12½	12⅛	12⅜	—⅛
PhxNet	171	5⅝	5¼	5 5/16	—⅜
PinRsc	516	13⅝	13¼	13½	—⅛
Polymed	91	5⅝	5 9/16	5 9/16	—1/16
Polyph	230	2⅜	2⅜	2⅜	—
Polyvisn	535	¾	⅝	11/16	+1/16
PrpdLo	804	15⅝	14⅞	15¼	+⅛
Pricell s	394	13⅝	13⅛	13¼	—⅛
ProActiv n	373	3⅛	2⅞	3	+1/16
PropCT	159	8 13/16	8⅝	8⅝	—⅛
PbSt 10	180	20⅞	20¾	20¾	—⅛
PbSt18	188	19	18⅞	19	+⅛
ecPyroco	144	5/16	¼	5/16	—1/16
Quebcor	88	15⅞	15⅝	15⅝	+⅛
RegGold	227	2	1 15/16	2	+⅛
RLionInn	205	25¼	24½	25	+⅜
RedEmp	155	9⅝	9⅝	9⅝	—
RegalBel	179	17¼	16⅞	17	—⅛
Reliv	170	5⅝	5½	5⅝	+⅛
RoyalO g	1126	3⅝	3⅜	3⅜	—⅛
Rymac	106	2 1/16	2	2	—1/16
SaggCm s	117	21	20⅝	21	+⅛
SFeGam	357	2¼	1⅞	1⅞	—½
Schelb	90	7⅝	7⅝	7⅝	—⅛
Schulr	100	20⅞	20½	20½	—⅛
Servico	319	15	14⅞	15	—
ShefldMd	435	4⅛	4 1/16	4⅛	+1/16
Shopco	71	1 5/16	1¼	1 5/16	—
Silco	90	9⅝	9½	9⅝	+⅛
SloanSup	202	2⅜	2⅜	2 5/16	—
SthnBnc n	104	13⅜	13⅜	13⅜	—⅛
SpcChm	105	2½	2¼	2¼	—
SPDR	6498	66 19/32	65¾	66	—9/32
SP Mid	340	46 7/16	45 31/32	45 31/32	—15/32
SterHs n	86	16	16	16	—
StevinA	119	1⅜	1⅜	1⅜	—⅛
StoneStB n	138	17½	17⅜	17½	+⅛
StraCmp	87	15⅜	14⅞	15⅜	+⅜
Sulcus	345	2 13/16	2 9/16	2 9/16	—3/16
SumTx	92	11	11	11	+¼
Supmind	264	6½	6⅜	6 7/16	+1/16
SwingNSI	122	2⅞	2⅞	2⅞	—⅛
TabPrd	103	7	7	7	—
Techniri	208	31½	30¾	30⅞	—⅝
TejnR	83	16	15⅝	15⅝	—
TelOta	385	43⅛	42⅝	42⅝	—⅝
TexBiotch	797	3⅝	3½	3 9/16	—
TexMer	968	13⅝	13⅜	13⅜	+⅛
Thermed	547	27⅛	26⅝	26⅝	—⅝
ThCar s	782	35⅛	33⅝	34½	+⅛
ThmFib s	168	13⅛	12⅞	13⅛	—
Thrinst	304	38⅛	37⅝	38	+⅛
ThmoOp n	300	15	14⅝	14⅞	—
ThrmRe	105	10¼	10⅛	10¼	—
ThrVolt s	234	12⅝	12	12⅝	+⅛
Thrmotse	2015	22⅝	21½	22¼	+1¼
Thrmotx	629	38⅝	37⅝	38⅜	+⅜
Thrmwd	203	2⅛	2	2	—1/16
TooSree	220	4⅜	4⅛	4 3/16	—1/16
TotlPet	170	10⅝	10⅜	10½	—
TownCty	819	⅞	¾	13/16	+⅛
TWA wt	97	8⅜	7⅞	8 3/16	+5/16
TWA	6883	12⅛	11⅜	12⅛	+⅜
TmsLx	70	11½	11¼	11¼	—¼
Transcis	166	6⅛	6	6	—⅛
TrinTech	148	3⅜	3	3¼	+⅛
Triton	279	11/16	⅝	11/16	—
TubMex	1721	11	10⅝	10⅞	—⅛
TurnB A	103	25½	25¼	25¼	—½
TurnB B	498	25⅝	25¼	25¼	—¼
US Alc	1306	2 11/16	2½	2½	+⅛
Unapix	368	4½	4⅜	4½	+⅛
Uniflex	108	10⅝	9¾	10⅝	+½
Unilab	635	⅞	13/16	⅞	+1/16
Unimar	151	4½	4 7/16	4 7/16	—1/16
UnioMbl	184	4 11/16	4 9/16	4 9/16	—1/16
UMobH	99	12⅝	12⅛	12⅝	+⅛
USBiosci s	481	12½	12	12⅛	—⅜
US Cell	197	31¼	30⅛	30¼	—1
Unshin s	177	13⅝	13⅛	13¼	—⅛
VKNJV	161	11⅝	11⅜	11⅜	—¼
Viacm	982	31⅝	30⅞	31½	—⅜
ViacB	8089	32⅛	31⅛	31⅝	—½
Viac wtC	442	5/16	¼	5/16	+1/16
Viac wtE	183	1⅛	1⅛	1⅛	—1/16
Vicon	89	2 11/16	2⅝	2⅝	+⅛
Vitronic	108	1⅝	1⅜	1½	+⅛
WRIT	476	15⅝	15½	15⅝	+⅛
Webcoind	90	5⅝	5 9/16	5 9/16	—1/16
Wengtbr	71	⅝	⅝	⅝	+⅛
WIRET	105	12½	12¼	12½	+⅛
WtshTc	70	1⅝	1½	1½	—⅛
WirlssT s	550	9⅜	8 15/16	9	—⅜
ecWizTch	2487	5 1/16	3⅞	4⅛	—1⅛
WEBCan n	100	10⅝	10⅝	10⅝	—1/16
WEBGer n	175	13 13/16	13⅝	13⅝	—3/16
WEB Ita n	132	14	13⅝	13⅝	—⅜
WEB Jpn n	407	14 13/16	14⅝	14⅝	—⅛
WEB Mex n	176	12¼	11⅞	11⅞	—5/16
WEB Sng n	381	11 13/16	11 11/16	11¾	—⅛
WEB Swd n	200	14⅝	14⅝	14⅝	—
WEB Swz n	170	12⅝	12 7/16	12 7/16	—1/16
XCL Ltd	1010	⅝	9/16	⅝	—
Xyfron	587	1 11/16	1 11/16	1 11/16	—

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	5700.18	5710.90	5625.83	5647.65	—64.73
Trans	2068.18	2071.03	2056.48	2057.34	—13.69
Util	218.35	218.91	215.41	216.32	—2.59
Comp	1822.15	1825.47	1802.58	1807.38	—18.38

Standard & Poors

	High	Low	Close	Chg.
Industrials	785.34	774.03	776.52	—8.82
Transp.	502.11	497.82	498.23	—3.88
Utilities	191.45	189.09	189.81	—1.64
Finance	69.40	68.36	68.58	—0.82
SP 500	664.81	655.35	657.40	—7.41
SP 100	641.55	631.72	634.07	—7.48

NYSE

	High	Low	Last	Chg.
Composite	356.79	352.39	353.36	—3.43
Industrials	452.89	446.84	448.25	—4.64
Transp.	324.61	321.93	321.97	—2.64
Utility	243.84	241.61	242.16	—1.68
Finance	304.71	301.33	302.03	—2.68

Nasdaq

	High	Low	Last	Chg.
Composite	1151.79	1145.32	1145.32	—8.56
Industrials	1058.03	1052.47	1052.47	—5.94
Banks	1111.29	1107.84	1107.84	—4.01
Insurance	1298.77	1292.73	1296.16	—4.93
Finance	1350.52	1344.66	1344.66	—8.92
Transp.	857.48	854.95	855.03	—4.03

AMEX

High	Low	Last	Chg.
563.56	560.80	561.34	—2.05

Dow Jones Bond

	Close	Chg.
20 Bonds	101.76	— 0.22
10 Utilities	98.95	— 0.49
10 Industrials	104.57	+0.04

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
PepsiCo s	141365	29⅝	28⅝	28¾	—1¼
NtSemi	30189	18⅞	17⅝	18⅛	+1⅛
CocaCl s	29595	51⅝	50⅛	50⅜	—⅞
HewlPk s	27128	45½	44	44⅛	—1
PhilMr	26632	91⅞	89⅝	90¼	—1⅝
AT&T	23922	52⅝	52	52⅛	—⅜
NatnsBk	23203	93⅞	92⅜	92⅝	—⅞
ArchDan	22844	18¼	17⅞	18⅛	+⅛
IBM	22138	115⅝	114⅜	115⅛	+½
BayNtwk s	21629	28⅛	27⅜	27⅞	+⅜
MicrnT	21464	23⅜	22½	22⅞	+⅜
OlymFn	21457	26	24⅝	25⅛	—⅛
Hanson	21413	12⅛	12⅛	12⅛	—
RJR pfC	20865	5⅝	5⅝	5⅝	—
Cadence s	20240	30	26⅜	30	+3⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
WorldCm s	173639	20⅞	19⅝	20⅛	+⅛
SierSm s	41677	11⅞	9	11⅞	+2⅝
MFS Cm s	38468	41⅜	38⅜	41⅛	+1⅞
Cisco s	35741	55⅜	53⅝	54	—1⅛
Intel	40163	81⅞	80⅛	81⅛	+⅛
3Com	43827	49	47	48	—⅞
Oracle s	40709	37⅛	36⅛	36⅛	—1
StrucD	36803	27⅛	22⅜	27⅛	+4⅝
Novell	35647	11	10⅜	10½	—
SunMic s	33636	57⅛	55⅛	55⅞	—⅛
Arakis	31561	3⅝	3½	3⅝	+⅜
Starbcks s	31291	34⅛	31⅛	33⅛	+⅞
TeleComA	29720	15⅛	14⅞	14⅞	—⅛
DellCpt s	28917	67⅛	65⅞	66⅛	+1
HollMed n	28292	7⅛	5	7⅛	—7⅛

AMEX

	Vol.	High	Low	Last	Chg.
BemaGold	13629	8 1/16	7 11/16	7⅞	—1
ViacB	8089	32⅛	31⅛	31⅝	—½
NTNCom	7680	5⅝	4 11/16	4¾	—⅝
TWA	6883	12⅛	11⅜	12⅛	+⅜
SPDR	6498	66 19/32	65¾	66	—9/32
GST Tele	6480	11⅞	11¼	11⅞	+1⅛
Magellan	4621	17¼	16⅝	17⅛	+½
Biovail s	4451	30⅛	28¼	29¾	+1½
EchoBay	4290	10¼	10	10	—⅛
IvaxCp	4159	16⅛	16	16⅛	—

Trading Activity

NYSE	Close	Prev.
Advanced	761	1309
Declined	1643	1023
Unchanged	795	853
Total issues	3199	3185
New Highs	49	92
New Lows	27	20

Nasdaq	Close	Prev.
Advanced	1606	2037
Declined	2172	1704
Unchanged	1921	1900
Total issues	5639	5641
New Highs	94	147
New Lows	74	62

AMEX	Close	Prev.
Advanced	212	301
Declined	285	225
Unchanged	233	209
Total issues	730	735
New Highs	11	21
New Lows	10	8

Market Sales

	Today Close	Prev. cons.
NYSE	321.10	366.98
Amex	16.11	20.83
Nasdaq	390.24	461.52

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
BMJ Financial	-	.20	9-15	10-1
STOCK SPLIT				
Richfood Holdgs 3 for 2 split.				
REVERSE STOCK SPLIT				
Zmax Corp 1 for 80 reverse split;				
INCREASED				
Harley Davidson	Q	.06	9-16	9-26
MAF Bancorp	Q	.09	9-16	10-4
New Plan Rlty	Q	.355	9-16	10-1
Sthside Bncshrs	Q	.13	9-9	9-15
INITIAL				
Fst State Corp n	-	.11	9-15	10-1
Richfood Hldgs n	-	.03	9-16	9-30
REGULAR				
American Re	Q	.11	9-13	9-30
Berkshire Gas	Q	.28	9-30	10-15
Bowne & Co	Q	.09	9-13	9-25
Canon Inc ADR	c	.3071	6-27	10-4
c- revised to include payable date.				
Elmira Svgs Bk	Q	.16	9-13	9-27
FNB Corp PA	Q	.16	9-1	9-15
Fst Fed Fin Kent	Q	.12	9-15	10-1
Hach Co	Q	.06	10-17	10-31
Hanck J IncoSec	Q	.305	9-23	9-30
Hancock J Inv	Q	.41	9-23	9-30
Hanck PatGlbDv	M	.0875	9-11	9-26
Haverfield Corp	Q	.135	9-13	9-30
Henry Jack Assoc	Q	.07	9-9	9-24
Lnc Telecomm	Q	.15	9-23	10-10
Medtronic Inc	Q	.095	10-11	11-1
Oneida Ltd	Q	.13	9-16	9-30
PP&L Resource	Q	.4175	9-10	10-1
Property Cap Tr	Q	.12	9-13	9-24
Stewart Steve	Q	.085	10-31	11-15
Techo Holding	Q	.125	9-16	9-30
Tecumseh Prod A	d	.26	9-13	9-27
d- also payable on class B.;				
Tri-County Bncp	S	.25	9-10	9-30
Wash NtlCorp	Q	.27	9-10	10-1

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cld - called. d - new yearly low. e - dividend declared or paid in preceding 12 months. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. P/E - price-earnings ratio. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 29, 1996

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Sep 96	3.71½	3.64½	3.70½	+0.02¾	31,791
Dec 96	3.45½	3.41¼	3.44½	+0.01¼	184,294
Mar 97	3.52	3.48	3.51½	+0.01½	41,773
May 97	3.57¾	3.54¼	3.57	+0.01½	14,435
Jul 97	3.57	3.53½	3.55¾	+0.01½	11,609
Est. sales N.A. Wed's. sales 61,774					
Wed's open int 293,409 off 2485					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Sep 96	267.00	261.80	266.60	+4.40	18,608
Oct 96	258.40	254.20	258.20	+3.60	14,874
Dec 96	254.00	250.10	253.80	+3.40	36,381
Jan 97	252.00	248.00	251.80	+3.60	6,872
Mar 97	250.30	246.30	250.30	+3.90	6,148
May 97	247.20	243.50	247.20	+4.00	5,106
Est. sales N.A. Wed's. sales 30,884					
Wed's open int 90,027 up 1185					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Sep 96	25.40	25.03	25.18	+0.07	8,782
Oct 96	25.58	25.22	25.41	+0.10	15,027
Dec 96	26.02	25.63	25.80	+0.06	38,285
Jan 97	26.22	25.90	26.02	+0.05	6,771
Mar 97	26.58	26.27	26.38	+0.05	5,812
May 97	26.90	26.60	26.74	+0.09	3,935
Est. sales N.A. Wed's. sales 21,345					
Wed's open int 80,003 off 820					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Sep 96	8.23	8.13	8.19¼	+0.03¼	8,980
Nov 96	7.97½	7.87¼	7.95	+0.06¼	124,431
Jan 97	8.04	7.93¼	8.01¾	+0.06¼	21,342
Mar 97	8.07½	7.99	8.06	+0.05½	13,083
May 97	8.07	7.97	8.05½	+0.06	11,470
Est. sales N.A. Wed's. sales 57,544					
Wed's open int 191,689 up 1918					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Sep 96	4.53	4.46	4.51½		10,315
Dec 96	4.58¼	4.51	4.56	+0.01	39,720
Mar 97	4.55½	4.49	4.52	—0.00½	9,071
May 97	4.34	4.29	4.33	+0.03	419
Est. sales N.A. Wed's. sales 17,632					
Wed's open int 63,299 off 234					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Oct 96	71.97	71.17	71.87	+0.37	42,387
Dec 96	68.00	67.50	67.95	+0.15	23,573
Feb 97	65.55	65.25	65.42	—0.13	14,624
Apr 97	67.05	66.75	66.97		5,135
Jun 97	64.97	64.70	64.90	—0.02	2,452
Aug 97	65.15	65.00	65.05	—0.05	2,863
Est. sales 11,927 Wed's. sales 8,159					
Wed's open int 91,236 up 378					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 96	63.30	63.10	63.12	—0.13	2,060
Sep 96	62.95	62.65	62.85		2,291
Oct 96	63.25	62.80	62.85	—0.27	7,844
Nov 96	63.57	63.25	63.32	—0.23	2,730
Jan 97	64.10	63.80	64.00	—0.05	1,432
Mar 97	63.52	63.30	63.45	—0.05	876
Est. sales 1,542 Wed's. sales 1,869					
Wed's open int 18,392 up 125					
HOGS-Live(2/97 Lean) (CMER) 40,000 lbs.- cents per lb.					
Oct 96	53.15	52.25	52.40	—0.77	13,080
Dec 96	53.35	52.75	53.15	—0.05	10,648
Feb 97	74.40	73.70	74.02	—0.55	3,798
Apr 97	72.40	71.80	71.90	—0.57	1,545
Jun 97	77.35	76.70	76.92	—0.75	1,465
Jul 97	75.20	74.55	75.10	—0.50	280
Est. sales 7,473 Wed's. sales 6,310					
Wed's open int 31,004 up 342					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	80.05	80.05	80.05	—2.00	4,921
Mar 97	79.90	79.62	79.62	—2.00	893
May 97	79.60	79.08	79.00	—2.00	308
Jul 97	79.80	79.50	79.50	—2.00	70
Aug 97			77.40	—2.00	18
Est. sales 543 Wed's. sales 1,349					
Wed's open int 6,205 up 36					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 96	1336	1323	1323	—8	215
Dec 96	1370	1358	1363	—8	31,846
Mar 97	1401	1391	1395	—10	17,342
May 97			1416	—5	8,090
Jul 97	1435	1430	1430	—10	5,976
Est. sales 3,613 Wed's. sales 7,720					
Wed's open int 77,646 up 638					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Sep 96	128.50	127.10	128.10	+0.80	1,397
Dec 96	117.80	115.20	117.05	+0.50	18,883
Mar 97	111.90	109.50	111.35	+0.65	5,280
May 97	111.50	109.80	111.50	+0.50	1,783
Est. sales 6,711 Wed's. sales 9,307					
Wed's open int 28,156 off 1343					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 96	11.77	11.65	11.73		70,207
Mar 97	11.42	11.34	11.38	—0.01	47,236
May 97	11.22	11.16	11.20		18,244
Jul 97	10.98	10.85	10.88	+0.03	13,204
Est. sales 8,478 Wed's. sales 6,771					
Wed's open int 150,338 off 8					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 96	120.75	119.50	119.65	—0.70	3,596
Nov 96	115.35	114.10	114.75	+0.45	8,567
Jan 97	114.30	113.50	114.05	+0.55	4,997
Mar 97	115.20	114.80	115.00	+0.60	1,390
Est. sales N.A. Wed's. sales 2,673					
Wed's open int 19,436 off 264					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Sep 96			388.30	—1.50	2
Oct 96	390.20	388.80	389.40	—0.60	10,523
Dec 96	393.28	391.78	392.40	—0.60	74,427
Feb 97	395.60	394.50	394.90	—0.60	12,589
Apr 97	397.90	397.10	397.50	—0.50	5,996
Jun 97			400.10	—0.50	11,880
Oct 97			405.50	—0.40	
Dec 97			408.30	—0.40	10,497
Est. sales N.A. Wed's. sales 14,105					
Wed's open int 160,179 off 640					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Sep 96	92.80	91.20	91.50	+0.45	8,617
Oct 96	91.90	91.20	91.20	+0.25	1,464
Nov 96	91.40	91.10	91.00	+0.40	1,348
Dec 96	91.80	90.20	90.70	+0.50	22,456
Jan 97	90.50	90.20	90.10	+0.40	989
Feb 97	89.80	89.60	89.50	+0.30	789
Mar 97	89.90	88.80	88.90	+0.15	6,966
Apr 97			88.55	+0.15	459
May 97	89.30	89.00	88.45	+0.15	2,408
Est. sales N.A. Wed's. sales 7,816					
Wed's open int 54,982 off 480					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Sep 96	519.0	515.5	517.5	+0.3	12,695
Oct 96			518.2	+0.4	24
Dec 96	527.0	523.5	525.5	+0.4	55,483
Jan 97			528.6	+0.4	23
Mar 97	536.0	532.0	533.5	+0.4	9,614
May 97	539.5	539.5	538.5	+0.2	5,545
Jul 97			543.6	+0.2	4,209
Sep 97			548.7	+0.2	1,783
Est. sales N.A. Wed's. sales 29,534					
Wed's open int 92,044 off 775					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 96	402.80	399.50	400.60	—2.40	18,250
Jan 97	405.00	402.00	402.90	—2.30	2,568
Apr 97	407.00	405.00	405.30	—2.30	3,324
Jul 97			408.00	—2.30	272
Oct 97	413.80	413.80	411.50	—2.30	
Est. sales N.A. Wed's. sales 2,642					
Wed's open int 25,416 off 275					

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1462½	1463½	1449.00	1450.00
Forward	1496.00	1497.00	1484½	1485.00
Copper Cathodes (High Grade)				
Spot	2003.00	2006.00	1975.00	1977.00
Forward	1957½	1958.00	1943.00	1944.00
Lead				
Spot	803½	804½	802.00	803.00
Forward	805½	806.00	803.00	804.00
Nickel				
Spot	7300.00	7310.00	7245.00	7255.00
Forward	7400.00	7405.00	7345.00	7350.00
Tin				
Spot	6155.00	6165.00	6115.00	6125.00
Forward	6215.00	6220.00	6175.00	6180.00
Zinc (Special High Grade)				
Spot	1003.00	1004.00	999.00	1000.00
Forward	1028½	1029.00	1025.00	1026.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Sep 96	94.92	94.89	94.90	—0.01	5,414
Dec 96	94.69	94.65	94.66	—0.02	3,193
Mar 97	94.53	94.43	94.45	—0.03	985
Est. sales N.A. Wed's. sales 1,798					
Wed's open int 9,592 up 418					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	105-195	105-055	105-065	— 085	107,484
Dec 96	105-07	104-24	104-245	— 095	62,252
Mar 97			104-135	— 095	
Est. sales N.A. Wed's. sales 86,994					
Wed's open int 169,456 off 8266					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 96	107-13	106-24	106-25	— 14	191,184
Dec 96	106-26	106-05	106-06	— 13	108,094
Mar 97	106-04	105-29	105-29	— 14	2,885
Est. sales N.A. Wed's. sales 70,313					
Wed's open int 302,163 off 8567					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 96	109-07	108-01	108-04	— 21	278,214
Dec 96	108-17	107-17	107-20	— 21	175,271
Mar 97	107-20	107-05	107-07	— 20	8,139
Jun 97	107-04	106-24	106-25	— 19	2,313
Est. sales N.A. Wed's. sales 221,850					
Wed's open int 464,114 up 3869					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 96	107-13	107-04	107-10	+ 0-04	85,151
Dec 96	106-23	106-15	106-20	+ 0-03	75,957
Mar 97	N.T.	N.T.	106-08	+ 0-04	0
Est. sales: 53,905. Prev. sales: 121,717					
Prev. open int.: 161,108 up 9,232					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 96	97.55	97.35	97.38	+ 0.04	161,249
Dec 96	96.60	96.42	96.44	+ 0.04	60,932
Mar 97	95.56	95.55	95.49	+ 0.04	1,005
Est. sales: 171,465. Prev. sales: 147,785					
Prev. open int.: 225,186 off 3,146					

	High	Low	Close	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 96	123.30	122.94	123.10	+0.14	179,525
Dec 97	121.94	121.64	121.72	+0.10	46,096
Mar 97	121.72	121.56	121.62	+0.10	11,027
Jun 97	0.00	0.00	120.78	+0.14	13
Est. volume: 194,878. Open int.: 236,661 off 728.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 96	115.67	115.12	115.58	+ 0.26	47,655
Dec 96	114.90	114.48	114.88	+ 0.27	15,571
Mar 97	N.T.	N.T.	114.38	+ 0.27	0
Est. sales: 38,929. Prev. sales: 35,511					
Prev. open int.: 63,126 up 411					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Sep 96	94.420	94.380	94.390	—10	369,477
Oct 96	94.290	94.250	94.260	—20	5,567
Nov 96	94.160	94.130	94.140	—30	1,724
Dec 96	94.100	94.030	94.050	—30	470,946
Mar 97	93.940	93.830	93.850	—40	304,059
Jun 97	93.770	93.650	93.670	—70	231,301
Sep 97	93.620	93.510	93.520	—70	185,549
Mar 00	92.860	92.770	92.780	—50	36,327
Est. sales N.A. Wed's. sales 232,938					
Wed's open int 2,493,134 up 3188					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 96	1.5600	1.5554	1.5580	—8	51,851
Dec 96	1.5582	1.5548	1.5578	—8	2,626
Mar 97			1.5578	—8	9
Est. sales N.A. Wed's. sales 7,768					
Wed's open int 54,486 up 1128					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 96	.7330	.7319	.7323	—3	35,100
Dec 96	.7349	.7344	.7347	—3	12,367
Mar 97	.7371	.7368	.7370	—3	521
Jun 97			.7386	—3	723
Est. sales N.A. Wed's. sales 15,074					
Wed's open int 48,883 up 5710					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 96	.6786	.6754	.6779	—1	66,730
Dec 96	.6822	.6794	.6820		6,659
Mar 97	.6855	.6850	.6867	+1	955
Jun 97			.6913	+2	10
Est. sales N.A. Wed's. sales 13,490					
Wed's open int 74,354 up 1245					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 96	.009259	.009231	.009247	—1	73,253
Dec 96	.009374	.009352	.009366	—1	6,589
Mar 97			.009490		186
Est. sales N.A. Wed's. sales 15,270					
Wed's open int 80,234 up 2182					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 96	.8404	.8337	.8387	—15	37,423
Dec 96	.8459	.8406	.8457	—15	3,496
Mar 97			.8534	—15	626
Est. sales N.A. Wed's. sales 8,044					
Wed's open int 41,570 off 509					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 96	96.85	96.81	96.83	Unch.	168,560
Dec 96	96.81	96.78	96.79	Unch.	234,898
Mar 97	96.66	96.63	96.64	+ 0.01	204,137
Jun 97	96.44	96.40	96.41	+ 0.02	145,674
Sep 97	96.16	96.11	96.12	+ 0.03	113,392
Dec 97	95.82	95.77	95.79	+ 0.05	74,333
Mar 98	95.46	95.40	95.43	+ 0.06	47,036
Jun 98	95.11	95.05	95.08	+ 0.06	28,835
Sep 98	94.76	94.72	94.75	+ 0.06	25,983
Dec 98	94.44	94.38	94.42	+ 0.05	21,573
Mar 99	94.14	94.11	94.12	+ 0.04	20,994
Jun 99	93.86	93.82	93.83	+ 0.04	11,350
Est. sales: 139,862. Prev. sales: 198,514					
Prev. open int.: 1,100,765 up 457					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 96	94.27	94.26	94.26	Unch.	69,195
Dec 96	94.29	94.26	94.27	Unch.	112,727
Mar 97	94.11	94.07	94.09	+ 0.01	78,540
Jun 97	93.75	93.70	93.72	+ 0.01	68,863
Sep 97	93.34	93.30	93.32	+ 0.02	32,348
Dec 97	92.99	92.96	92.97	+ 0.02	27,481
Mar 98	92.73	92.69	92.71	+ 0.02	24,192
Jun 98	92.54	92.51	92.51	Unch.	15,894
Sep 98	92.37	92.35	92.35	— 0.01	10,733
Dec 98	92.24	92.21	92.21	— 0.01	11,045
Mar 99	92.14	92.11	92.11	— 0.01	4,449
Jun 99	92.04	92.01	92.01	— 0.01	2,511
Est. sales: 29,766. Prev. sales: 25,065					
Prev. open int.: 449,088 off 430					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 96	95.81	95.65	95.80	+0.04	49,581
Dec 96	95.75	95.61	95.75	+0.04	50,741
Mar 97	95.81	95.70	95.81	+0.05	35,574
Jun 97	95.76	95.66	95.74	+0.06	23,051
Sep 97	95.57	95.47	95.55	+0.06	15,347
Dec 97	95.33	95.22	95.32	+0.07	11,138
Mar 98	95.08	95.02	95.07	+0.05	9,258
Jun 98	94.87	94.79	94.86	+0.05	6,368
Sep 98	94.65	94.54	94.64	+0.05	4,319
Dec 98	94.33	94.33	94.39	+0.07	4,650
Mar 99	94.12	94.08	94.12	+0.05	8,591
Jun 99	93.87	93.83	93.87	+0.04	1,872
Est. volume: 100,217. Open int.: 220,490 off 547.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 96	91.38	91.27	91.36	+ 0.03	48,876
Dec 96	91.86	91.74	91.85	+ 0.05	47,016
Mar 97	92.13	92.03	92.13	+ 0.07	24,014
Jun 97	92.27	92.14	92.24	+ 0.08	17,538
Sep 97	92.15	92.09	92.17	+ 0.07	9,394
Dec 97	92.07	92.00	92.08	+ 0.08	5,527
Est. sales: 27,382. Prev. sales: 25,358					
Prev. open int.: 152,360 off 1,031					

	High	Low	Close	Chge	Opint
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 96	76.40	75.20	76.22	+1.01	6,591
Dec 96	77.34	76.15	77.06	+0.95	28,832
Mar 97	78.40	77.25	78.32	+1.02	8,098
May 97	79.00	77.70	79.00	+1.20	6,157
Jul 97	79.60	78.45	79.40	+0.87	4,547
Oct 97	78.15	77.80	78.20	+0.70	1,000
Est. sales N.A. Wed's. sales 10,523					
Wed's open int 58,459 off 329					
HEATING OIL (NMER) 42,000 gal - cents per gal					
Sep 96	63.85	62.15	63.60	+1.56	13,711
Oct 96	63.85	61.95	63.55	+1.58	32,042
Nov 96	63.55	61.95	63.25	+1.38	14,762
Dec 96	63.35	62.15	63.20	+1.53	26,155
Jan 97	62.50	61.40	62.10	+0.98	14,129
Feb 97	60.90	59.80	60.35	+0.78	7,829
Mar 97	58.10	57.50	58.10	+1.08	4,319
Apr 97	55.55	55.30	55.30	+0.88	2,510
May 97	53.50	53.07	53.30	+0.83	1,702
Jun 97	52.12	52.12	52.12	+0.60	2,200
Est. sales N.A. Wed's. sales 33,962					
Wed's open int 124,979 up 2123					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Oct 96	22.41	21.67	22.10	+0.39	85,091
Nov 96	21.83	21.23	21.60	+0.39	39,659
Dec 96	21.35	20.80	21.15	+0.38	44,718
Jan 97	20.90	20.54	20.75	+0.38	30,959
Feb 97	20.42	20.17	20.37	+0.36	22,422
Mar 97	20.10	19.83	20.06	+0.38	13,698
Apr 97	19.80	19.50	19.80	+0.41	11,346
May 97	19.50	19.41	19.50	+0.38	6,500
Jun 97	19.28	19.05	19.16	+0.28	24,439
Jul 97	19.05	18.99	19.04	+0.34	8,672
Aug 97	18.83	18.75	18.76	+0.23	4,626
Sep 97	18.62	18.56	18.62	+0.25	5,981
Dec 97	18.25	18.10	18.25	+0.30	21,917
Est. sales N.A. Wed's. sales 77,126					
Wed's open int 364,270 up 4266					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Oct 96	1.920	1.850	1.907	+42	32,794
Nov 96	2.065	1.995	2.046	+32	14,930
Dec 96	2.195	2.130	2.180	+30	16,005
Jan 97	2.240	2.175	2.230	+38	13,823
Feb 97	2.180	2.120	2.165	+33	7,557
Mar 97	2.105	2.050	2.085	+25	5,936
Apr 97	2.030	1.980	2.015	+20	4,082
May 97	2.000	1.955	1.980	+18	3,353
Jun 97	2.000	1.950	1.980	+10	3,310
Jul 97	2.000	1.950	1.985	+15	2,676
Aug 97	2.000	1.960	1.970		3,001
Est. sales N.A. Wed's. sales 23,630					
Wed's open int 126,713 off 1130					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Sep 96	64.30	62.33	63.72	+1.39	12,172
Oct 96	62.40	61.00	61.80	+0.88	23,279
Nov 96	60.60	60.08	60.30	+0.73	8,476
Dec 96	59.38	58.90	59.05	+0.63	4,501
Jan 97	58.40	58.10	58.15	+0.48	4,595
Feb 97	57.75	57.60	57.60	+0.38	1,852
Est. sales N.A. Wed's. sales 26,805					
Wed's open int 57,446 off 540					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 96	198.50	191.75	196.75	+5.00	23,685
Oct 96	195.00	189.75	194.25	+4.50	14,072
Nov 96	191.50	187.75	191.25	+3.75	8,441
Dec 96	188.50	185.25	188.50	+3.00	14,919
Jan 97	188.50	185.25	185.00	+2.75	6,834
Feb 97	185.50	182.25	185.00	+1.50	1,316
Mar 97	174.25	173.00	175.00	+1.00	2,542
Apr 97	171.00	168.50	170.00	+ 0.25	2,826
May 97	166.75	165.50	166.00	—0.25	1,196
Jun 97	N.T.	N.T.	163.00	—0.25	3,150
Jul 97	N.T.	N.T.	162.00	—0.25	58
Aug 97	162.50	162.25	162.00	—0.25	15
Est. sales:19,308. Open int.: 79,162 up 3,929					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Oct 96	20.88	20.38	20.75	+ 0.48	65,793
Nov 96	20.41	19.99	20.23	+ 0.38	22,395
Dec 96	20.00	19.60	19.85	+ 0.37	20,983
Jan 97	19.59	19.24	19.45	+ 0.36	14,124
Feb 97	19.18	18.87	19.06	+ 0.33	7,064
Mar 97	18.80	18.53	18.68	+ 0.29	7,329
Apr 97	18.45	18.39	18.37	+ 0.26	4,798
May 97	N.T.	N.T.	18.11	+ 0.24	1,734
June 97	17.86	17.74	17.89	+ 0.23	4,741
July 97	N.T.	N.T.	17.69	+ 0.22	880
Aug 97	N.T.	N.T.	17.51	+ 0.20	425
Est. sales: 42,682. Open int.: 150,266 up 1,019					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Sep 96	665.75	654.80	657.10	—8.40	165,430
Dec 96	670.30	661.20	663.15	—8.50	22,087
Mar 97	676.15	667.50	668.80	—8.85	2,847
Est. sales N.A. Wed's. sales 43,677					
Wed's open int 190,654 off 754					
FTSE 100 (LIFFE) £25 per index point					
Sep 96	3938.0	3936.0	3894.0	— 47.0	59,343
Dec 96	3956.0	3954.5	3915.5	— 47.0	6,432
Mar 97	N.T	N.T	3926.0	— 47.0	330
Est. sales: 14,986. Prev. sales: 11,104					
Prev. open int.: 66,105 off 441					
CAC 40 (MATIF) FF200 per index point					
Aug 96	2000.0	1972.0	1975.5	— 26.00	15,600
Sep 96	2005.0	1977.0	1981.0	— 26.00	25,736
Oct 96	2007.0	1986.0	1986.5	— 26.00	1,600
Dec 96	0.00	0.00	1999.0	— 26.00	5,439
Mar 97	2024.0	2023.5	2017.5	— 25.00	4,489
Jun 97	0.00	0.00	0.00	+0.00	0
Sep 97	2005.0	2004.5	1998.5	— 26.00	5,170
Mar 98	0.00	0.00	2042.5	— 26.00	2,270
Est. volume: 44,199. Open int.: 60,304 off 1,404.					

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EUROPE

Fortis 1st-Half Net Rises 21%, but Firm Says Growth to Slow

Compiled by Our Staff From Dispatches

UTRECHT, Netherlands — Fortis said Thursday that its Belgian banking unit helped it post a 21 percent increase in first-half net profit, to 366 million European Currency Units ($470.9 million).

Profit per share for the Belgian and Dutch parents of the banking and insurance company rose 17 percent from the 1995 first half.

Fortis said its Belgian parent, Fortis AG, earned 177 francs ($5.80) a share, while Fortis Amev, the Dutch parent, earned 2.19 guilders ($1.32) a share.

Both companies predicted that full-year earnings per share would increase by 7 percent, noting that Fortis expected profit growth to weaken in the second half.

"The fine result from banking operations for the first six months of 1996 compares with a relatively low result in the same period last year," Fortis said. "For the second half of 1996, the company is not expecting to equal the exceptionally big banking result in the comparable period of last year."

Profit at the Belgian banking unit rose 32 percent, to 214 million Ecus, mainly as a result of higher net interest income but also because of cost controls.

The growth in net interest income, the difference between what it pays on deposits and makes on loans, is expected to narrow in the second half, mainly as a result of a reduction in the bank's loan rates.

Revenue rose 9 percent, to 9.41 billion Ecus, for the entire company, which was created in the 1990 merger of Brussels-based Assurances Generales and Utrecht-based Amev NV.

Fortis Amev shares closed down 1.90 guilders, at 50.90, in Amsterdam, while Fortis AG shed 70 francs, to 4,340, in Brussels.

Fortis Amev said it would pay an interim dividend of 0.680 guilder per share, increased from 0.624 guilder in 1995. Fortis AG does not pay a first-half dividend.

(Bloomberg, AFX)

■ Hagemeyer Net Jumps 57%

Hagemeyer NV said first-half net profit rose 57 percent and sales surged 66 percent, bolstered by the acquisition last year of another trading company, Borsumij Wehry NV, The Associated Press reported from Amsterdam.

Net profit was 111.3 million guilders, while sales totaled 3.69 billion guilders.

Hagemeyer repeated its forecast that earnings per share would be higher in 1996 than in 1995.

The company also announced the takeover of Winterhalter & Fenner AG. It said the Zurich-based company, with annual sales of more than 100 million guilders, would give it entry to the Swiss market.

The acquisition will be internally financed and is expected to make an immediate positive contribution to earnings per share, Hagemeyer said.

Hagemeyer said it would start paying an interim dividend of 0.75 guilder per ordinary share.

Hagemeyer is an international trading house and wholesaler of consumer goods, especially foods and high-end durable goods.

Hilton Regains Right To Its Name Abroad

Compiled by Our Staff From Dispatches

LOS ANGELES — Hilton Hotels Corp. said Thursday that, after months of discussions, it had concluded a joint marketing agreement with Ladbroke Group PLC, the British company that owns the Hilton Hotel international chain.

The deal effectively reunites the U.S. Hilton chain with Hilton International, the Ladbroke chain that owns the Hilton name outside the United States. Hilton spun off its international operations in 1964. Ladbroke, a gambling, leisure and hotel concern, acquired Hilton International in 1987. But now, Hilton Hotels, based in Los Angeles, is significantly stronger and wants to regain use of the Hilton name abroad to build its international hotel and gaming businesses.

Some of Hilton's hotels outside the United States are called Conrad Hotels.

To cement the alliance, which is subject to approval by shareholders and regulators, Hilton Hotels plans to buy a 5 percent stake in Ladbroke. Terms of the transaction permit further cross-shareholding.

A jointly owned company will be formed to manage the Hilton brand, and each side will have the right to 20 percent of the profit from the other's new operations, provided it had contributed 20 percent to any new capital investments required.

The agreement is scheduled to run initially for 10 years and to be automatically renewable for further 10-year periods.

The two sides also intend to work together in the gaming industry in the United States and worldwide.

"Through this alliance, our two companies intend to lead the hotel and gaming markets worldwide," said Peter George, Ladbroke's chief executive.

The U.S. company said it would become the world's biggest casino operator when it completed its pending acquisition of Bally Entertainment Corp. Ladbroke has gaming interests in Britain, Ireland, Belgium and the Americas.

Ladbroke also reported a 29 percent increase in first-half pretax profit, to £72.8 million ($113.5 million), with the group's betting and gaming activities providing the impetus. Sales fell 7 percent, to £1.98 billion. Ladbroke's shares closed in London at 211 pence, up 4. Hilton shares were quoted at $106.625, down 37.5 cents, in late trading in New York. *(NYT, AFP)*

■ Wolters Makes Acquisition

The Dutch publisher Wolters Kluwer NV said it had acquired the professional division of Little, Brown & Co., The New York Times reported from New York.

Wolters Kluwer sells legal, business and medical works in Europe and North America. Little Brown's professional division, which publishes the same kinds of books, will eventually be merged with two of Wolters Kluwer's existing U.S. publishing houses, Lippincott-Raven in Philadelphia and Aspen Publishers in Gaithersburg, Maryland. The sale price was not disclosed. Wolters Kluwer said the acquisition was expected to be completed in September.

Rolls-Royce Posts Loss on Special Charge

Compiled by Our Staff From Dispatches

LONDON — Rolls-Royce PLC posted a first-half pretax loss Thursday of £169 million ($263.5 million) caused by a one-time charge related to its exit from the steam-power generation business.

The company said that with the £248 million charge behind it, its prospects were bright. It cited an engine order valued at as much as $450 million from Kato Group of Egypt to power Russian-built Tupolev aircraft. Not counting the charge, the company said pretax profit rose 10 percent from the first half of 1995, when it was £70 million. Rolls also posted a loss of £15 million from the steam-power unit, which it is selling.

"Our decision to withdraw from large steam-power generation recognizes the need to focus upon those businesses where we have established or can establish leading market positions," Chairman Sir Ralph Robins said. Revenue rose 18 percent, to £1.90 billion, with aerospace sales gaining 24 percent.

"The immediate outlook is steady," Rolls said, "and with the introduction of new products over the next few years, the company is confident of achieving future growth." Rolls stock closed down 5 pence, at 226. *(AP, Reuters)*

Baxter of U.S. Buys Swiss Plasma Firm

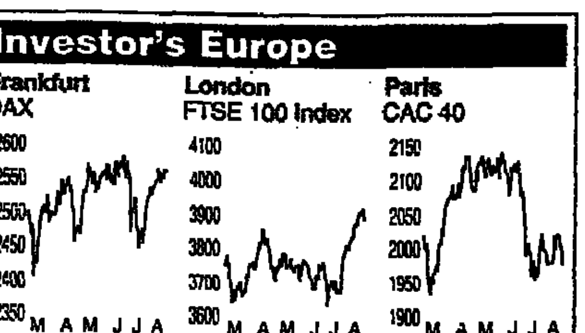
Bloomberg Business News

ZOLLIKON, Switzerland — Baxter International Inc., a U.S. medical-supplies company, said Thursday it would buy the Swiss blood-products maker Immuno International AG in a three-year deal valued at $715 million.

The resulting company, with sales of $1.6 billion and 8,900 employees, will be one of the world's leading providers of products and services for transfusion medicine.

Immuno has subsidiaries in 18 countries, mostly in Europe and Latin America. It produces human plasma derivatives and has sought to develop a vaccine for the virus that causes acquired immune deficiency syndrome. It had 1995 profit of 30.8 million francs ($25.8 million) on sales of 625 million francs.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	EOE	558.95	563.38	-0.79
Brussels	Stock Exchange	9,490.42	9,524.65	-0.36
Frankfurt	DAX	2,560.06	2,563.16	-0.12
Copenhagen	Stock Market	424.01	424.40	-0.09
Helsinki	HEX General	2,147.09	2,136.12	+0.51
Oslo	OBX	454.14	453.48	+0.15
London	FTSE 100	3,885.00	3,918.70	-0.86
Madrid	Stock Exchange	355.69	358.48	-0.78
Milan	MIBTEL	9,600.00	9,603.00	-0.03
Paris	CAC 40	1,977.56	2,002.90	-1.27
Stockholm	SX 16	2,103.80	2,100.81	+0.14
Vienna	ATX	1,038.48	1,035.60	+0.28
Zurich	SPI	2,361.03	2,366.29	-0.22

Source: Telekurs International Herald Tribune

Very briefly:

- **Reckitt & Colman PLC**'s first-half pretax profit fell 43 percent, to £179 million ($279.1 million), but it said underlying performance showed significant improvement. The drug and home-products company also said its integration of L&F, a £1 billion U.S. acquisition, was ahead of schedule.
- **Norway**'s unemployment rate fell to 4.5 percent in August from 4.7 percent in July.
- **Tele Danmark AS**'s pretax profit fell 20 percent, to a lower-than-expected 2.18 billion kroner ($381.7 million), in the first half, mainly because operating costs increased.
- **Codan Forsikringsselskabet AS**'s first-half net profit rose more than fivefold, to 555 million kroner, on high investment income, a jump in earnings at its Danish nonlife insurance unit and fewer overall claims.
- **The Netherlands'** gross domestic product rose a better-than-expected 2.8 percent in the second quarter from a year earlier and 1.3 percent from the previous quarter. Dutch consumer spending rose 2.9 percent in the second quarter from a year earlier.
- **European Bank for Reconstruction and Development** had first-half net profit of 160,000 European Currency Units ($204,800), reversing a loss of 2.7 million Ecus a year earlier.
- **Matra SA** executives refused to comment on French reports that the defense company had modified its bid for **Thomson-CSF** to grant the state a key minority holding and limit **British Aerospace PLC**'s stake to 5 percent.
- **South Africa**'s merchandise-trade balance showed a surplus of 2.58 billion rand ($573 million) in July on a surge in diamond exports.
- **Bank of Israel** repurchased 150 million shekels ($47.9 million) of government bonds after receiving offers totaling 267 million shekels. The central bank had said it would buy back as much as 250 million shekels of bonds.

AFP, AFX, Reuters, Bloomberg

Svenska Cellulosa's Profit Dropped 43% in First Half

Bloomberg Business News

STOCKHOLM — Svenska Cellulosa AB said Thursday its first-half pretax profit fell 43 percent as its sales and product prices slipped.

Pretax profit fell to a lower-than-expected 1.67 billion kronor ($253 million) from 2.95 billion kronor a year earlier. It said it expected an economic upturn to lift second-half sales and earnings.

Chemicals Slump Hurts Profit at Repsol

Compiled by Our Staff From Dispatches

MADRID — Repsol SA said Thursday its first-half profit jumped as earnings from its chemicals division plunged and gasoline prices came under pressure.

Net profit at Spain's largest oil and gas company fell 1.1 percent, to 61.45 billion pesetas ($491 million). Operating profit, which some analysts said was a better indicator of Repsol's performance, fell 13.8 percent, to 96.0 billion pesetas.

"In all the areas of its business except exporting, the company is beginning to feel competition," said Juan Pablo Jimeno, a fund manager at BSN Gestion.

Repsol shares rose 25 to close at 4,110.

Profit from Repsol's chemicals division plunged two-thirds in the first half, following a trend for major European oil companies.

Royal Dutch/Shell Group, Europe's largest oil company, saw a 50 percent second-quarter drop in chemicals earnings. Elf Aquitaine SA of France recently reported a 5.9 percent decline in chemicals sales in the second quarter, its only division to post a sales slide.

(Bloomberg, AFX, Reuters)

WORLD STOCK MARKETS

Thursday, Aug. 29

Prices in local currencies.
Telekurs

Amsterdam

EOE Index: 558.95 Previous: 563.38

	High	Low	Close	Prev.
ABN-AMRO	92.50	91.50	91.80	91.90
Aegon	85.40	83.10	83.60	85
Ahold	94.10	92.70	93.20	93.90
Akzo Nobel	196.20	195	195.20	196.30
Bols Wess cva	27.50	26.90	27.10	27.50
CSM cva	82.60	81.50	82.60	81.90
Dordtsche Pet	274	271.50	272.70	273.90
DSM	156	154.10	154.30	155.80
Elsevier	27	26.60	26.70	26.80
Fortis Amev	53.90	50.10	50.90	52.80
G-Broc cva	57.30	53.10	54.30	56.60
Hagemeyer	131.50	125.50	126.50	130.80
Heineken	379	372.50	374.50	378
Hoogovens	58.90	58.40	58.80	58.80
Hunt Douglas	117.50	115.80	116	115.50
ING Group	53.40	52.70	52.80	53
KLM	47.40	46.50	46.80	47
KNP BT	38.40	37.30	38	37.50
KPN	59.50	58.90	59.20	59.20
Nedlloyd Gp	39.80	39.40	39.60	39.50
Nutricia	228.20	223.50	225.30	228.60
Oce Grinten	174	172	172	173.40
Pakhoed	47.40	46.80	46.80	47.40
Philips Elec	57	56.40	56.60	57
Polygram	99.90	98	99.10	99.70
Randstad Hdg	128	126	126.80	127
Robeco	124.20	123.40	123.40	124.80
Rodamco	47.40	47.20	47.40	47.30
Rolinco	134.60	134.10	134.10	134.30
Rorento	97.80	97.60	97.60	97.80
Royal Dutch	252.20	250.10	250.90	252.40
Stork	51.90	49.30	50.40	52
Unilever cva	242.20	239.60	240.40	242.70
VNU	30.20	29	29	30
Wolters Kl cva	214.20	212	212.50	213.80

Bangkok

SET Index: 1185.59 Previous: 1185.84

	High	Low	Close	Prev.
Adv Info Svc	342	332	332	332
Bangkok Bk F	328	310	318	324
Krung Thai Bk	173	169	170	171
PTT Explor	354	350	350	352
Siam Cement F	1000	968	972	984
Telecomasia	46.75	46	46.50	46.50
Thai Airways	50.50	50	50.50	49.75
Thai Farm Bk F	272	264	268	[illegible]
Thai Teleph	45	44.50	44.75	44.75
Utd Comm	266	256	256	[illegible]

Market Closed

The stock market in Bombay was closed Wednesday for a holiday.

Brussels

Stock Exchange Index: 9490.42 Previous: 9524.65

	High	Low	Close	Prev.
Arbed	3500	3465	[illegible]	3465
Barco Ind	5430	5350	[illegible]	5310
BBL	5980	5910	[illegible]	5970
Bekaert	23900	[illegible]	[illegible]	23725
CBR	2325	[illegible]	2315	2320
CMB	2490	[illegible]	2470	2490
Cockerill	135	[illegible]	133	134
Colruyt	11525	[illegible]	11175	11350
Delhaize Lion	1650	[illegible]	1650	1655
Electrabel	6870	[illegible]	6790	6860
Electrafina	2750	[illegible]	2725	2750
Fortis AG	4420	[illegible]	4340	4410
GIB	1370	[illegible]	1362	1366
GBL	3880	[illegible]	3830	3870
Gen Banque	11200	[illegible]	11200	11175
Glaverbel	3395	[illegible]	3340	3380
Kredietbank	9650	[illegible]	9620	9550
Mosane	2365	2360	2360	2360
Petrofina	9640	9570	9610	9610
Powerfin	[illegible]	4670	4680	4685
Recticel	[illegible]	266	267	270
Royale Belge	[illegible]	5890	5900	5970
Soc Gen Belg	[illegible]	2390	2395	2400
Solvay	[illegible]	17875	17900	17900
Tessenderlo	[illegible]	10900	11000	10900
Tractebel	[illegible]	13025	13025	13200
UCB	[illegible]	59650	59650	60850
Union Miniere	[illegible]	2335	2245	2340

Copenhagen

Stock Index: 424.01 Previous: 424.40

	High	Low	Close	Prev.
Carlsberg B	[illegible]	337	337.60	341.40
Danisco	324	316	323	321
Den Danske Bk	404	399	403	400
D/S Svendborg A	N.T.	N.T.	N.T.	211000
D/S 1912 A	[illegible]	143000	143000	146000
East Asiatic Co	116	113	114	114
FLS Ind B	646	634.37	640	644
ISS Intl Svc B	156	137.90	144	138.84
Nvo Nordisk B	887	880.90	881	883
Radiometer B	360.45	358	359.40	364
Sophus Ber B	727	692	692	728
Tele Danmk	280	272	275	278
Unidanmark	260	257	257	260

Frankfurt

DAX: 2560.06 Previous: 2563.16

	High	Low	Close	Prev.
AMB	1150	1150	1150	1160
AEG	155.20	155.20	156	154
Allianz Hdg	2675	2667	2671	2675
Altana	1150	1139	1140	1135
Badenwerk	561.50	560.50	560.50	562
BASF	44.25	43.87	44.17	44.28
Bayer Hypo Bk	41.94	41.70	41.94	41.60
Bay.Vereinsbank	[illegible]	50	50.15	49.90
Bayer	53.45	52.90	53.17	53.85
Berliner Kraft	418.20	417.50	418.20	420
BHF Bank	41.15	40.90	40.90	40.90
BMW	859.50	857	859	860
CKAG Colonia	122	120.50	120.70	122
Commerzbank	344.50	341.20	343.50	342.10
Daimler Benz	81.80	81.15	81.30	81.32
Degussa	520.30	517.50	520.10	517.50
Deutsche Bank	73.98	73.62	73.87	73.53
Dresdner Bank	40.82	40.60	40.80	40.58
Heidelbg Zmt	990	985	985	990
Henkel	61.18	60.80	60.90	61.50
Hochtief	70.50	70.10	70.10	70
Hoechst	52.42	51.80	52.05	53.01
Holzmann Pl	380	375	378	378
Karstadt	529	525	525	529.70
Linde	921	917	918	923.50
Lufthansa a	212.50	209.20	209.70	211
MAN	377	374	376	374.50
Mannesmann	532	530.70	531.50	533
Metro	139.30	138	138.60	137.50
Muench Rck	3469	3442	3445	3455
Preussag	352.50	351	351.75	355.55
PWA	217	214	215.90	214
RWE	54.40	54.20	54.30	54.20
SAP pfd	248.50	244.80	247.50	244.20
Schering	108.80	108.05	108.65	108.15
Schmal Lub	282	279	281	278
Siemens	78.50	78.02	78.42	79.28
Suedzucker	739.50	725	725	745
Thyssen	271.50	269.80	270.20	269
Veba	78.70	78.38	78.62	78
VEW	450	450	450	451
Viag	549	546	546	550.50
Volkswagen	552	548.50	549.50	551.50
Wella	880	877	877	876

Helsinki

HEX General Index: 2147.09 Previous: 2136.12

	High	Low	Close	Prev.
[illegible]cor 1	228	227	227	227
[illegible]so R	38.40	38	38	38.30
[illegible]amaki IF	173.50	172	173	172.30
[illegible]sko	75	74	74	73.50
[illegible]ne BF	550	535	540	538.10
[illegible]erita A	9.60	9.51	9.54	9.53
[illegible]etra BF	238	236	237	236
Metsa-Serla B	33.90	33.70	33.90	33.80
[illegible]okia Prf F	191	189	190	187.40
Outokumpu A	85	83.50	84	84
Rautaruukki	38.40	38	38.40	38
Stockmann A	252	250	252	250
UPM-Kymme	103.50	102.60	103	103
Valmet A	74.50	76	76.30	76

Hong Kong

Hang Seng: 11338.38 Previous: 11379.58

	High	Low	Close	Prev.
Amoy Props	9.30	9.15	9.20	9.15
Bk East Asia	28.30	28.10	28.10	28.40
Cathay Pacific	13.10	12.85	13	12.80
Cheung Kong	56.50	55.50	55.75	56.25
China Light	33.90	33.40	33.50	33.60
Chin Estates	7.05	6.95	7.05	7
Citic Pacific	34.80	34.30	34.30	34.60
Cons Elec Pwr	14.10	14	14.05	13.95
Dao Heng Bk	30.90	30.70	30.80	30.90
First Pacific	12.95	12.60	12.85	12.75
Great Eagle	23.40	22.95	23	22.90
Guangdong Inv	5.70	5.60	5.70	5.55
Guoco Group	36.80	36.50	36.60	36.80
Hang Lung	15	14.75	14.75	14.70
Hang Seng Bk	80.75	80	80	80
Henderson Inv	8.65	8.40	8.55	8.60
Henderson Ld	61.75	61.25	61.25	61
HKR Intl	10	9.75	9.80	9.85
HK Aircraft	19.70	19.50	19.50	19.50
HK China Gas	13	12.60	12.60	12.85
HK Electric	23.50	23.35	23.45	23.45
HK Shang Htls	13.65	13.55	13.60	13.60
HK Telecomm	13.30	13.10	13.15	13.25
Hopewell Hdgs	4.40	4.30	4.35	4.35
HSBC Hdgs	136	135	135.50	135
Hutchison Wh	47.60	47.20	47.20	47.20
Hysan Dev	24.70	24.35	24.45	24.40
Johnson El Hdg	17.50	17.40	17.40	17.40
Miramar Hotel	15.10	14.30	14.30	15.15
Natl Mutual	6.65	6.60	6.65	6.60
New World	39	37.80	38	38.90
Oriental Press	4.05	3.98	4	4
Shangri-La	10.35	10.10	10.15	10.20
SHK Props	77.75	76.75	76.75	77.50
Shun Tak Hdgs	4.63	4.55	4.60	4.60
Sino Land Co.	8.30	8.15	8.20	8.20
Sth China Post	5.70	5.55	5.55	5.60
Swire Pac A	70.50	69.75	70	69.75
Tsim Sha Tsui	10	9.90	9.95	10
TV Broadcasts	29.40	28.60	28.60	29.25
Wharf Hdgs	30.70	29.90	29.95	30.10
Wheelock	16.35	16.05	16.15	16.15

Jakarta

Composite Index: 558.03 Previous: 548.43

	High	Low	Close	Prev.
Astra Intl	2425	2375	2375	2425
Bank Pacific	1475	1425	1475	1425
Gudang Garm	8625	8500	8600	8500
Indah Kiat	1900	1875	1875	1875
Indocement	N.T.	N.T.	N.T.	6800
Indofood	4875	4800	4800	4900
Indorayon	2075	2025	2025	2000
Indosat	7375	7350	7375	7350
Kalbe Farma	4400	4300	4300	4350
Sampoerna	22700	22600	22600	22750

Johannesburg

All Market: 6793.97 Previous: 6479.35

	High	Low	Close	Prev.
AngloAm Corp	273	267	270	268
AngloAm Gold	415	410	413.50	404
AngloAm Ind	170	167.50	167.50	168.75
Barlow	41.75	41.40	41.60	41.30
C.G. Smith	22	21.80	21.95	21.95
De Beers	138.50	135	136.50	136
Driefontein	59.75	58.50	58.75	58.50
Freegold	50.50	48.60	50	48.20
Fst Natl Bk	27.60	26.50	26.50	27.60
Gencor	15.80	15.50	15.80	15.50
GFSA	134	133	133.50	134.25
Iscor	2.72	2.67	2.69	2.69
Johnnies Ind	56	55.25	55.75	56
Kloof Gold	43.50	42	43.10	42.75
Liberty Life	134	132.75	134	134
Minorco	102.75	101.50	102.50	101.50
Nedcor	62	61.75	61.75	62.25
Rembrandt Gp	37.75	36.50	37.05	37.10
Richemont	69	67.25	68.50	67.50
Rust Platinum	75	72.75	75	72.75
SA Breweries	126.50	122	122	124.75
Sappi	43.90	43	43	43.50
Sasol	49.10	48	48.70	48.40
SBIC	172.25	171.75	172	172.50
Tiger Oats	56.25	55.75	56.25	55.50

Kuala Lumpur

Composite: 1110.49 Previous: 1111.33

	High	Low	Close	Prev.
Genting	18.60	18.40	18.50	18.70
Hicom Hldgs	7.85	6.90	7.05	7.10
Mal Banking	24.10	23.80	23.90	24
Mal Intl Ship F	7.55	7.50	7.55	7.55
Public Bank F	4.80	4.80	4.80	4.80
Resorts World	13.50	13.40	13.50	13.40
Sime Darby	8.40	8.25	8.35	8.30
Telekom Mal	21.80	21.60	21.60	21.40
Tenaga	9.20	9.05	9.20	9
Utd Engineers	17.80	17.70	17.80	17.80

London

FT-SE 100: 3885.00 Previous: 3907.50

	High	Low	Close	Prev.
Abbey Natl	6.68	5.98	6	6.08
Allied Domecq	4.77	4.46	4.64	4.60
Anglian Water	5.94	5.87	5.88	5.90
Arjo Wiggins	1.88	1.83	1.85	1.88
Asda Group	1.13	1.10	1.11	1.13
Assoc Br Foods	4.08	3.97	4	4.08
BAA	4.90	4.81	4.81	4.79
Barclays	9.20	9.12	9.15	9.13
Bass	8.50	8.37	8.43	8.41
BAT Ind	4.55	4.38	4.38	4.49
Bank Scotland	2.56	2.54	2.56	2.57
BICC	3.36	3.28	3.29	3.34
Blue Circle	3.87	3.77	3.78	3.87
BOC Group	8.80	8.68	8.71	8.76
Boots	6.35	6.24	6.29	6.32
Rexam	3.87	3.80	3.80	3.83
BPB Ind	3.68	3.65	3.67	3.66
Brit Aerosp	10.17	9.95	10.09	9.92
Brit Airways	5.73	5.17	5.24	5.18
Brit Gas	2.10	2.04	2.07	2.07
Brit Petm	6.30	6.19	6.25	6.25
Brit Steel	1.88	1.84	1.87	1.85
Brit Telecom	3.86	3.73	3.75	3.80
BTR	2.57	2.52	2.54	2.57
Burmah Cast	10.60	10.45	10.45	10.59
Cable Wireless	4.21	4.14	4.18	4.23
Cadbury Schw	5.18	5.05	5.10	5.10
Caradon	2.28	2.22	2.25	2.25
Carlton Comm	4.90	4.84	4.85	4.90
Coats Viyella	1.59	1.55	1.57	1.57
Comml Union	6.16	6.01	6.01	6.12
Courtaulds	4.47	4.33	4.35	4.44
De La Rue	6.42	6.30	6.42	6.40
EMI Group	14.90	14.42	14.60	14.75
Eng China Cl	2.60	2.54	2.54	2.57
Enterprise Oil	5.17	5.08	5.08	5.17
Forn Colonial	1.60	1.57	1.58	1.59
Genl Accident	6.77	6.73	6.75	6.79
GEC	3.83	3.79	3.81	3.88
GKN	10.63	10.50	10.52	10.63
Glaxo	9.40	9.22	9.26	9.18
Granada Gp	8.77	8.69	8.72	8.73
Grand Met	4.84	4.74	4.76	4.78
GRE	2.56	2.50	2.55	2.56
Guinness	4.91	4.77	4.83	4.90
GUS	6.72	6.56	6.60	6.68
Hanson	1.61	1.56	1.56	1.60
Hillsdown Hdg	1.88	1.82	1.82	1.87
HSBC Hldgs	11.33	11.19	11.27	11.31
ICI	8.20	7.98	8.06	8.03
Inchcape	3.01	2.95	2.96	2.95
Kingfisher	6.75	6.63	6.69	6.66
Ladbroke	2.15	2.09	2.11	2.07
Land Sec	6.92	6.80	6.85	6.80
Laporte	7.53	7.45	7.45	7.38
Lasmo	1.97	1.94	1.95	1.95
Legal Genl Grp	7.39	7.26	7.26	7.38
Lloyds Abbey	6.11	5.91	5.95	5.89
Lloyds TSB Gp	3.85	3.72	3.75	3.71
London Elec	6.44	6.30	6.32	6.32
Lucas Ind	2.49	2.28	2.47	2.44
Marks Spencer	5.01	4.92	4.93	4.97
MEPC	4.44	4.37	4.40	4.39
Mercury Asset	9.86	9.80	9.83	9.79
Midlands Elec	4.19	4	4	4
Natl Power	4.09	4.01	4.05	4.05
NatWest	6.83	6.70	6.77	6.81
News Intl	3.80	3.75	3.75	3.90
Utd Utilities	6.15	6.04	6.10	6.07
Nthern Foods	2.05	2.03	2.03	2.03
P&O	5.24	5.15	5.15	5.20
Pearson	7	6.75	6.82	6.84
Pilkington	2.07	2.01	2.01	2.01
PowerGen	5.12	5.07	5.07	5.09
Prudential	4.42	4.37	4.38	4.40
Rank Org	4.72	4.55	4.63	4.71
Reckitt Colm	7.01	6.82	6.85	6.84
Redland	4.49	4.38	4.39	4.47
Reed Intl	11.64	11.50	11.57	11.58
Rentokil	4.17	4.12	4.12	4.13
Reuters Hdgs	7.75	7.59	7.67	7.72
RMC Group	11.15	10.92	10.99	11.22
Rolls Royce	2.46	2.18	2.26	2.31
Royal Bk Scot	5.04	4.91	4.93	4.99
RTZ reg	9.76	9.44	9.56	9.77
Royal & Sun All	4.13	4.06	4.06	4.07
Safeway	3.46	3.40	3.43	3.42
Sainsbury	3.95	3.88	3.89	3.92
Schroders	14.05	13.85	13.90	13.93
Scot Newcastle	6.80	6.67	6.71	6.74
Scot Power	3.07	3.02	3.05	3.03
Sears	0.98	0.96	0.96	0.97
Severn Trent	6.12	6.02	6.02	6.07
Shell Trnp reg	9.46	9.36	9.42	9.47
Siebe	9.30	9.18	9.21	9.32
Smith Nephew	1.96	1.94	1.95	1.95
Smith (WH)	5.05	4.98	5.03	5.09
SmithKline	7.55	7.48	7.51	7.54
Smiths Ind	7.60	7.55	7.56	7.51
Sthern Elec	6.85	6.71	6.75	6.68
Stand Charter	7.40	7.18	7.22	7.13
Tate & Lyle	4.69	4.63	4.65	4.68
Tesco	3.12	2.99	3	3.09
Thames Water	5.64	5.52	5.52	5.61
3i Group	4.78	4.71	4.76	4.77
TI Group	5.60	5.53	5.57	5.57
Tomkins	2.63	2.59	2.59	2.60
Unilever	12.92	12.72	12.77	12.85
Utd Biscuits	2.09	2.05	2.05	2.05
Utd News	7.32	7.18	7.18	7.10
Vendome uts	6.02	5.97	6	5.94
Vodafone	2.48	2.41	2.44	2.49
Whitbread	7.29	7.17	7.23	7.28
Williams Hdgs	3.55	3.50	3.54	3.52
Wolseley	4.66	4.61	4.64	4.62
Zeneca	15.47	15.12	15.43	15.13

Madrid

Bolsa index: 355.69 Previous: 358.48

	High	Low	Close	Prev.
Acerinox	14150	14050	14150	14190
ACESA	1345	1330	1340	1330
Argentaria	5210	5160	5200	5180
BBV	5300	5260	5290	5300
Banesto	809	805	806	809
Bankinter	14240	14080	14240	14210
Bco Centro Hisp	2570	2535	2550	2570
Bco Exterior	2845	2840	2840	2840
Bco Popular	21800	21600	21650	21550
Bco Santander	6540	6440	6440	6480
CEPSA	3890	3860	3860	3900
Corp Mapfre	6160	6030	6120	6050
Dragados	1620	1575	1580	1575
Endesa	7510	7380	7390	7520
FECSA	940	925	927	930
Fomento Const	9970	9770	9910	10030
Gas Natural	24700	24200	24250	24650
Hidrool Cantab	4050	4030	4045	4050
Iberdrola	1160	1130	1135	1150
Pryca	3080	3025	3040	3080
Repsol	4200	4065	4110	4085
Sevillana Elec	1040	1010	1015	1040
Tabacalera	5210	5120	5160	5100
Telefonica	2390	2315	2320	2385
Union Fenosa	769	762	763	768
Valenc Cement	1375	1340	1375	1370

Manila

PSE Index: 3215.79 Previous: 3200.98

	High	Low	Close	Prev.
Ayala A	19.25	19	19.25	19.25
Ayala Land	33.50	33	33.50	33
Manila Elec A	108	106	106	108
Metro Bank	620	610	620	620
Petron	10.75	10.25	10.50	10.25
Phil Long Dist	1585	1570	1585	1565
San Miguel A	41	40.50	40.50	41
San Miguel B	85.50	84	84	85.50
SM Prime Hdg	6.40	6.30	6.40	6.40

Mexico

Bolsa index: 3334.90 Previous: 3410.84

	High	Low	Close	Prev.
Alfa A	34.10	33.00	33.45	34.35
Cemex B	32.80	31.90	31.90	32.75
Cifra C	12.06	11.84	12.02	12.20
Empresas ICA	114.00	112.70	114.00	114.90
Emp Moderna	38.90	38.40	38.90	39.45
Femsa	23.30	22.80	23.00	23.65
Gpo Carso A1	36.20	35.10	35.70	36.50
Televisa CPO	117.00	114.60	115.10	117.20
TelMex L	12.58	12.40	12.44	12.68
Tribasa	19.40	18.30	18.30	19.80

Milan

MIB Telematico: 9600.00 Previous: 9603.00

	High	Low	Close	Prev.
Alleanza Assic	11500	11350	11420	11470
Bca Comm Ital	2920	2875	2905	2895
Bca Naz Agricol	807	805	807	808
Bca Naz Lavoro	11000	10950	10985	10950
Bca di Roma	1216	1180	1214	1176
Bco Ambrosian	3500	3380	3415	3470
Benetton	16850	16600	16830	16600
Credito Italiano	1777	1737	1767	1748
Fiat	4730	4650	4695	4730
Fondiaria	6050	5930	5940	5960
Generali Assic	34100	33450	33700	34050
IFIL	3770	3680	3700	3780
Italcementi	10260	10000	10150	10065
Italgas	5290	5180	5285	5245
Mediobanca	8340	8130	8145	8200
Montedison	986	975	985	975
Olivetti	807	790	791	783
Pirelli	2555	2500	2555	2535
RAS	13500	13110	13280	13600
Rinascente	9390	9250	9380	9225
S Paolo Torino	9710	9510	9700	9600
SME	2500	2400	2400	2400
Standa	N.T.	N.T.	N.T.	14000
Stet	4895	4810	4865	4885
Telecom Italia	3020	2960	3000	3015
Toro Assic	16350	16290	16350	16300

Montreal

Industrials Index: 2361.36 Previous: 2360.15

	High	Low	Close	Prev.
Alca I	19.90	19.85	19.90	19.90
Bank Montreal	33.90	33.70	33¾	33.90
Bce Mob Com	40½	40½	40½	40½
Cdn Tire A	16.40	16.10	16.35	16.35
Cdn Util A	28.65	28.55	28.65	28.55
Cascades	6.05	5.95	6.05	5.95
CT Finl Svc	28¼	28¼	28¼	28.10
Extendicare	15½	15¼	15¼	15½
Gaz Metro	15.55	15.35	15½	15¼
Gt-West Lifeco	35.95	35½	35½	35.60
Hees Intl Bcp	16.35	16¼	16¼	16¼
Hudsons Bay	20.15	20	20.10	20
Imasco	27.05	26.90	26.90	27.05
Investors Grp	19.55	19.30	19.55	19.35
Loblaw Cos	11.45	11.45	11.45	11.65
Molson A	20.95	20.85	20.90	20.70
Natl Bk Canada	11.90	11.60	11¾	11.85
Oshawa A	21.15	21	21.10	21.15
Pancdn Petim	49	48.10	49	48.10
Power Corp	24.65	24½	24½	24.60
Power Finl	40½	40.10	40¼	40.35
Quebecor B	21.30	21¼	21¼	21.30
Rogers Comm B	10.30	9.80	10.20	9.55
Royal Bk Cda	34.60	34.55	34.55	34.70
Sears Canada	8.05	7.90	7.90	8
Shell Cda A	46¼	45.80	46¼	46.10
Southam	16.40	16.35	16.35	16.40
Stelco A	6.60	6½	6.55	6.55
Trilon Finl A	5.65	5.65	5.65	6

Oslo

OBX Index: 454.14 Previous: 453.48

	High	Low	Close	Prev.
Aker A	128	128	128	128.50
Bergesen Dy B	133.50	132	133	131.50
Christiania Bk	16.20	16.20	16.20	16.20
Den norske Bk	21.30	21.20	21.30	21.10
SAS Norge ASA	63	62	62.50	62
Dyno Indust	148	146	147	145
Elkem	92.50	91	92.50	91.50
Hafslund A	47	47	47	47.50
Kvaerner	234	228	228	230
Leif Hoegh	112	109	109	110.50
Norsk Hydro	300	298	300	297.50
Norske Skog A	201.50	199	201.50	201
Orkla	356	354	355	354
Rieber B	135	135	135	136
Saga Petim B	88	87	87	88
Schibsted	94	93	94	94
UniStorebr A	35.80	35.30	35.70	35.30

Paris

CAC-40: 1977.56 Previous: 2002.90

	High	Low	Close	Prev.
Accor	614	609	612	615
AGF	133.60	131.50	131.50	131.30
Air Liquide	876	856	864	875
Alcatel Alsth	397.50	390.70	390.80	398
Axa	290.90	286.50	287.30	289.40
Bancaire	518	506	509	516
BNP	184	180.30	180.70	183.50
Bouygues	504	499.20	499.40	504
Canal Plus	1171	1155	1156	1170
Carrefour	2618	2562	2570	2614
CCF	237.80	233.60	235	236.50
Credit Local cl	420	412.90	417	420.20
Credit Lyon PC	115	107.80	107.80	115.10
Crown Cork Seal	245	243	245	247
Danone	713	702	702	714
Elf-Aquitaine	372	362.60	365	373.50
Eridania BS	758	720	724	742
Euro Disney	11.35	11.05	11.30	11.05
Eurotunnel uts	8.30	8.05	8.05	8.30
Gen. Eaux	495.80	488	488	493.60
Havas	346.50	339.30	339.30	347.10
Lafarge Cop	289.80	283.30	283.40	289.10
Legrand	785	771	775	787
L'Oreal	1621	1598	1600	1634
LVMH	1099	1084	1088	1095
Lyon. Eaux	449.50	440.50	445.10	449.30
Michelin B	239.70	237.50	237.50	239
Navig Mixte	722	722	722	723
Paribas A	319.60	317.50	318.70	321.90
Pechiney SA	213.30	211.70	212	212.50
Pernod Ricard	310	305.40	306.10	311
Peugeot Cit	595	581	582	593
Pinault-Print	1673	1642	1658	1651
Promodes	1282	1255	1262	1277
Renault	114	111	112.40	112.50
Rh-Poulenc A	134	131.70	131.70	134.50
Roussel-Uclaf	1190	1180	1185	1190
Sanofi	400	397.50	397.50	400
Schneider	231.50	225.80	227.70	231.90
Ste Generale	567	557	562	569
St Gobain	633	626	626	631
St Louis	1203	1182	1186	1207
Suez	184.50	181.20	181.30	184.90
Thomson CSF	142.70	138.30	141	139.10
Total B	371.50	367.80	370.20	370
UAP	101.90	100.30	101	102.70
Valeo	257.90	252.60	254	256.70

São Paulo

Bovespa index: 62532.60 Previous: 62947.60

	High	Low	Close	Prev.
Bco Brasil Pfd	10.40	9.90	9.90	10.09
Banespa Pfd	3.20	3.00	3.10	3.10
Bradesco Pfd	8.50	8.41	8.45	8.45
Brahma Pfd	649.08	636.00	649.00	635.00
Cemig Pfd	30.70	30.40	30.40	30.60
CESP Pfd	30.50	30.50	30.50	31.00
Eletrobras B	270.00	267.10	267.10	267.00
Itaubanco Pfd	424.00	422.00	422.00	424.00
Light	286.08	285.00	285.00	286.99
Paranapan Pfd	7.01	6.90	6.90	7.20
Petrobras Pfd	121.99	120.00	121.00	120.50
Sid Nacional	23.50	23.30	23.34	23.50
Souza Cruz	7.30	7.16	7.16	7.95
Telebras Pfd	78.40	76.30	77.30	77.30
Telesp Pfd	200.00	197.00	197.50	196.50
Usiminas Pfd	1.07	1.04	1.04	1.06
CVRD Pfd	19.90	19.45	19.61	19.61

Seoul

Composite Index: 766.16 Previous: 753.35

	High	Low	Close	Prev.
Daewoo Heavy	6440	6200	6350	6200
Hyundai Eng	30500	29200	30200	28800
Hyundai Motor	31000	30400	30900	30300
Korea El Pwr	24300	23700	24200	23500
Korea Mob Tel	549000	530000	539000	530000
LG Electronics	15300	15000	15200	15100
Pohang Iron St	48000	46900	47900	46800
Samsung Elec	62000	60100	61200	61500
Samsung Hvy	10800	10600	10800	10800
Yukong	21500	20700	21400	20700

Singapore

Straits Times: 2162.65 Previous: 2159.88

	High	Low	Close	Prev.
Cerebos Pac	12	11.90	12	11.80
City Devts	11.80	11.40	11.70	11.60
Cycle Carriage	N.T.	N.T.	N.T.	13.60
Dairy Farm Int *	0.80	0.79	0.80	0.80
DBS	9	8.95	8.95	9
DBS Land	4.76	4.58	4.74	4.60
Fraser & Neave	14.40	14.20	14.30	14.20
HK Land *	2.31	2.26	2.28	2.30
Hong Leong Fin	3.50	3.50	3.50	3.50
Jard Matheson *	6.50	6.40	6.50	6.45
Jard Strategic *	3.26	3.22	3.26	3.24
Keppel	10.80	10.40	10.40	10.60
Natsteel	2.34	2.30	2.30	2.33
Neptune Orient	1.28	1.25	1.28	1.29
OCBC foreign	16.80	16.50	16.70	16.50
OSea Union Bk	6.50	6.45	6.45	6.50
Sembawang	6.75	6.50	6.60	6.75
Sing Airlines F	14.90	14.70	14.90	14.70
Sing Petim	1.80	1.80	1.80	1.80
Sing Press F	24.70	24.40	24.50	24.80
ST Auto F	2.89	2.84	2.88	2.85
ST Ship	2.15	2.14	2.15	2.12
Sing Telecomm	3.46	3.34	3.38	3.46
Straits Steam	4.84	4.80	4.82	4.82
Utd Industrial	1.33	1.31	1.32	1.31
Utd OSea Bk F	13.50	13.40	13.50	13.40
Wing Tai Hdgs	3.04	3.02	3.02	3.06

*: in U.S. dollars.

Stockholm

SX 16 Index: 2103.80 Previous: 2100.81

	High	Low	Close	Prev.
AGA BF	107.50	106	107	107
ABB AF	719	713	717	720
AssiDoman F	167.50	165	167.50	167
Astra AF	284.50	278.50	283.50	282
Atlas Copco AF	132.50	131	132	131
Avesta F	67.50	66.50	67.50	67
Electrolux BF	387	382.50	383	387
Ericsson BF	158.50	156	157	157
Hennes BF	689	681	685	689
Incentive AF	355	353	355	355
Investor BF	239	238	238.50	238.50
Kinnevik BF	187	185.50	185.50	186
MoDo BF	200	190	200	193.50
Sandvik BF	151	149	150	150.50
SCA BF	145.50	142	143	145
S-E Banken AF	56	55	55.50	56
Skandia Fors F	158	154.50	156.50	154.50
Skanska BF	254	251	251	253
SKF BF	153.50	152.50	153	153.50
SSAB BF	91	89	91	90.50
Stora AF	95	92	94.50	93.50
Sv Handles AF	139	136	136.50	138.50
Sydkraft AF	146	146	146	144
Trelleborg BF	88	86	86.50	87.50
Volvo BF	138.50	135	138	136.50

Sydney

All Ordinaries: 2279.30 Previous: 2284.20

	High	Low	Close	Prev.
Amcor	7.80	7.74	7.79	7.75
ANZ Bkng	6.73	6.65	6.71	6.72
BHP	17.63	17.38	17.38	17.57
Boral	3.05	3.02	3.03	3.03
Brambles Ind.	18.85	18.74	18.85	18.78
Burns Philp	1.95	1.91	1.91	1.95
CBA	11.03	10.87	11.03	10.90
CC Amatil	16.79	16.60	16.65	16.85
Coles Myer	4.45	4.42	4.42	4.45
Comalco	7.20	7	7.20	7.10
CRA Ltd	19.56	19.43	19.43	19.57
CSR	4.49	4.42	4.42	4.48
Fosters Brew	2.34	2.32	2.34	2.32
GIO Australia	3.21	3.16	3.17	3.20
Goodman Fld	1.34	1.32	1.33	1.32
ICI Australia	11.55	11.33	11.54	11.60
John Fairfax	2.68	2.66	2.68	2.68
Lend Lease	20.80	20.60	20.80	20.55
Mayne Nickless	8.50	8.24	8.40	8.20
MIM Hdgs	1.62	1.59	1.59	1.63
Nat Aust Bank	12.46	12.35	12.46	12.42
News Corp	6.78	6.73	6.75	6.83
North Ltd	3.78	3.73	3.78	3.78
Pacific Dunlop	2.75	2.73	2.74	2.73
Pioneer Intl	3.63	3.58	3.60	3.62
Placer Pacific	1.70	1.67	1.67	1.70
Santos	4.84	4.81	4.82	4.84
Southcorp	3.13	3.08	3.13	3.10
Westfarmers	7.82	7.78	7.78	7.76
Wstn Mining	8.95	8.90	8.94	8.95
Westfield Trt	2.33	2.30	2.33	2.31
Westpac Bkng	6.23	6.15	6.22	6.21
Woodside Pet	7.65	7.60	7.60	7.63
Woolworths	2.86	2.82	2.85	2.85

Taipei

Stock Market Index: 6312.43 Previous: 6256.76

	High	Low	Close	Prev.
Asia Cement	51.50	50	51.50	51
Cathay Life Ins	169	165	169	166
Chang Hwa Bk	159	156	159	157
China Steel	27.20	26.50	27	26.50
China Trust	51	50	51	50.50
Evergreen	49.50	48	49.50	48.50
Far East Text	30.60	30.10	30.50	30.30
First Bank	165	162	165	163
Formosa CF	33.70	32.30	33.70	32.60
Hua Nan Bk	135	132.50	134.50	133
Hualon Teijran	23.50	23.20	23.40	23.40
ICBC	85.50	83.50	85.50	83.50
President Ent	41.50	40.90	41.50	40.80
Taiwan Cent	56	54.50	56	55.50
Tatung	60	59	60	59.50

Tokyo

Nikkei 225: 20552.16 Previous: 20709.80

	High	Low	Close	Prev.
Ajinomoto	1180	1150	1170	1190
All Nippon Air	1120	1100	1110	1110
Asahi Bank	1210	1200	1200	1210
Asahi Chem	745	737	737	738
Asahi Glass	1230	1210	1210	1210
Bk Tokyo Mitsu	2240	2220	2220	2230
Bk Yokohama	900	890	895	907
Bridgestone	1850	1830	1830	1850
Canon	2030	2000	2010	2040
Chiba Bank	874	862	864	869
Chubu Elec	2430	2410	2420	2430
Chugoku Elec	2320	2310	2310	2310
Daiei	1120	1100	1120	1110
Daiichi Kang	1860	1830	1830	1850
Daiwa Bank	715	708	710	715
Daiwa House	1570	1550	1560	1570
Daiwa Sec	1250	1220	1230	1260
Fanuc	4050	4000	4000	4060
Fuji Bank	2040	2020	2020	2020
Fuji Photo	3300	3250	3270	3300
Fujitsu	992	975	976	991
Hitachi	998	988	989	992
Honda Motor	2570	2540	2540	2570
IBJ	2320	2300	2320	2320
IHI	514	505	509	515
Itochu	680	645	677	680
Ito-Yokado	5870	5780	5780	5890
JAL	818	802	802	818
Jusco	3300	3260	3260	3280
Kajima	1000	980	981	995
Kansai Elec	2410	2390	2400	2410
Kao	1340	1320	1330	1330
Kawa Steel	372	366	371	373
KDD	11200	10500	10600	11300
Kinki Nipp Ry	770	761	762	769
Kirin Brewery	1180	1160	1160	1190
Kobe Steel	292	287	287	287
Komatsu	955	948	950	956
Kubota	663	656	656	655
Kyocera	7390	7330	7360	7350
Kyushu Elec	2360	2340	2340	2360
LTCB	753	[illegible]	750	753
Marubeni	543	534	534	541
Marui	2210	2190	2200	2230
Matsu Elec Ind	1880	1840	1850	1890
Matsu Elec Wk	1100	1090	1090	1090
Mitsubishi	1260	1230	1240	1280
Mitsubishi Ch	473	460	460	470
Mitsubishi El	710	696	696	712
Mitsubishi Est	1370	1340	1350	1370
Mitsubishi Hvy	880	863	868	885
Mitsubishi Mat	906	896	896	901
Mitsubishi Tr	1640	1610	1610	1650
Mitsui	926	919	921	924
Mitsui Fudosn	1360	1340	1350	1380
Mitsui Trust	1100	1080	1090	1100
Murata Mfg	3880	3880	3880	3930
NEC	1190	1170	1180	1180
New Oji Paper	896	881	881	893
Nikko Sec	1120	1100	1100	1130
Nintendo	6710	6550	6600	6720
Nipp Credit Bk	379	376	376	376
Nipp Express	974	965	970	979
Nippon Oil	687	678	678	684
Nippon Paper	660	649	649	663
Nippon Steel	346	342	342	344
Nippon Yusen	585	580	582	584
Nippondenso	2260	2240	2240	2250
Nissan Motor	840	827	830	836
NKK	294	291	291	294
Nomura Sec	1920	1890	1890	1920
NTT	7900a	7820a	7820a	7860a
Obayashi	917	910	912	910
Odakyu El Ry	708	702	703	703
Ono Pharm	3620	3560	3570	3620
Osaka Gas	377	373	377	377
Ricoh	1090	1060	1080	1080
Sakura Bk	1050	1020	1030	1060
Sankyo	2760	2720	2730	2750
Sanwa Bank	1960	1940	1950	1950
Sanyo Elec	580	568	569	578
Secom	7010	6980	6990	7000
Seibu Rwy	5710	5660	5660	5690
Sekisui House	1170	1150	1150	1170
Seven-Eleven	6760	6610	6650	6690
Sharp	1760	1730	1740	1750
Shimizu	1090	1060	1060	1080
Shin-etsu Ch	1940	1930	1930	1950
Shizuoka Bk	1240	1200	1200	1240
Sony	6920	6870	6880	6910
Sumitomo	917	909	909	917
Sumitomo Bk	2020	1990	2000	2020
Sumit Chem	499	491	491	496
Sumitomo Elec	1470	1450	1450	1450
Sumit Metal	313	310	310	311
Sumit Trust	1290	1270	1290	1280
Taisei	703	691	696	704
Taisho Pharm	2230	2220	2220	2230
Takeda Chem	1890	1860	1880	1870
TDK	6350	6300	6310	6300
Tohoku El Pwr	2340	2330	2330	2330
Tokai Bank	1310	1290	1300	1300
Tokio Marine	1260	1240	1250	1250
Tokyo El Pwr	2670	2640	2650	2650
Tokyo Gas	365	359	362	363
Tokyu	733	726	729	737
Tonen	1510	1480	1490	1500
Toppan Print	1420	1390	1400	1450
Toray Ind	698	691	691	703
Toshiba	716	705	709	713
Toyo Seikan	3730	3650	3670	3650
Toyo Trust	960	955	955	955
Toyota Motor	2670	2640	2650	2660
Yamaichi Sec	675	663	663	684
Yamanouchi	2260	2240	2250	2240
Yasuda Fire	738	722	725	735
Yasuda Trust	563	555	555	560

a: x 100

Toronto

TSE Industrials: 5162.82 Previous: 5184.09

	High	Low	Close	Prev.
Abitibi Price	18.85	18.60	18.65	19
Air Canada	4.84	4.78	4.80	4.77
Alberta Energy	25¼	25.10	25¼	25.10
Alcan Alum	43.95	43.05	43.30	43.85
Avenor A	23.85	23½	23½	23¾
Bk Nova Scotia	34.15	33.90	34	34.15
Barrick Gold	37.95	37.30	37.40	37.90
BCE	54¼	53.85	54	54.20
BC Telecomm	28.20	27.95	27.95	28.10
Bombardier B	19.45	19.15	19.30	19.15
Brascan A	26.35	26	26.20	26.35
Cameco	69	68½	69	68½
CIBC	46.10	45.85	45.90	46
Cdn Airlines	1.90	1.86	1.90	1⅞
Cdn Nat Res	28.10	27.70	27.90	27.80
Cdn Occid Pet	22.85	22.55	22.80	22.80
Cdn Pacific	31.35	30.95	30.95	31.35
Cominco	30.70	30.60	30.70	30.70
Consumers Gas	21.90	21¾	21¾	21¾
Dofasco	21¼	21.10	21.15	21.20
Domtar Ind B	8.85	8.60	8.85	8¾
Du Pont Cda A	30	29.65	29.65	29.60
Echo Bay Min	14	13¾	13.85	13.85
Empire Co. A	13½	12.80	13½	13
Falconbridge	29.90	29½	29.80	30
Fletcher Chall A	19.80	19.55	19.55	19.80
Franco Nevada	48.80	48	48½	49
Guardian Cap A	9.10	9.10	9.10	9
Horsham	18.10	18.05	18.10	18.10
Imperial Oil	59.45	58.90	58.90	59¼
Inco	44	43.40	43.80	44¼
IPL Energy	36.55	36.35	36.35	36.40
Laidlaw A	13	12.90	13	13
Laidlaw B	13.05	12.90	13	13.05
Loewen Group	40½	39.90	40	40.30
Ldn Insur Gp	31	30.85	30.85	31
Macmill Bldl	19.95	19.85	19.90	19.90
Magna Intl A	65.90	65½	65.80	65.85
Maple Leaf Fds	7.90	7¾	7.90	7.95
Moore	24.20	24	24.15	24.05
Newbridge Net	81½	79	79¼	80.95
Noranda Inc	28.85	28.65	28¾	28¾
Noranda Forest	9.10	8.90	9.05	9.05
Norcen Energy	24.90	24.70	24.80	24.80
Nthern Telecom	69.55	69	69¼	69¼
Nova	12.40	12¼	12½	12.30
Onex	14.35	14.30	14.35	14.35
Placer Dome	33.40	32.80	33.05	33.30
Potash Sask	104.60	102	103½	101½
Provigo	6.85	6.70	6.85	6.80
Quebecor Print	23.70	23.60	23.65	23.60
Renaissance	38.70	38.55	38.70	38¼
Rio Algom	27.35	27	27.35	27.30
Seagram Co	46	45.55	45.65	45.90
Stone Consold	17.05	16.60	16¾	17.10
Talisman Eny	34¼	34.20	34.40	34.60
Teleglobe	24	23.90	23.90	24
Telus	18.90	18.80	18.80	18.80
Thomson	24.45	24.30	24.30	24.35
TorDom Bank	26.80	26.45	26.45	26¼
Transalta	15.60	15.40	15.45	15¼
TransCda Pipe	21.90	21¼	21.85	21.90
Utd Dominion	29	29	29	29
Westburn	10.10	10	10	10
Westcoast Eny	21.90	21.80	21.80	21.90
Weston	50¼	50	50¼	50.05

Vienna

ATX Index: 1038.48 Previous: 1035.60

	High	Low	Close	Prev.
Aust Airlines	1440	1440	1440	1440
Brau-Un Goess	626.90	610	620	625
Bund Vers Pfd	409	409	409	405
Creditanst Pfd	482	474	477	484
EA-Generali	2930	2901	2929.95	2920
EVN	1423	1416.90	1420	1424
Intervnfall	1500	1500	1500	1517
Lenzing	672	600	665	676.20
Leykam	290	285	290	289.90
Mayr-Meinhof	480	470	478	480
OMV	1037	1020	1035.50	1021
Oest Brau	648	640	648	640
Oest Elektriz	757	754.95	755	758.70
VA Tech	1337.50	1326	1333.50	1333
Wienerberger	1950	1950	1939.80	1935

Wellington

NZSE-40 Index: 2239.54 Previous: 2240.49

	High	Low	Close	Prev.
Air N Zeald B	3.20	3.10	3.18	3.12
Brierly Invt	1.46	1.44	1.44	1.45
Carter Holt ord	3.30	3.26	3.27	3.30
Fernz	4.50	4.41	4.41	4.51
Fisher Paykel	4.91	4.85	4.90	4.85
FC Forest	2.03	2.00	2.00	2.03
Goodman Fder	1.52	1.51	1.52	1.50
Indep News	5.60	5.55	5.55	5.58
Lion Nathan	3.84	3.82	3.83	3.80
Nat Gas note	2.17	2.12	2.16	2.12
NZ Refining	26.50	26.30	26.50	26.40
Telecom NZ	7.02	6.97	6.98	6.99
Wilson Horton	9.50	9.40	9.45	9.50

Zurich

SPI Index: 2361.03 Previous: 2366.29

	High	Low	Close	Prev.
Adia B	340	336	336	340
Alusuisse R	948	938	942	943
Ares-Serono B	1275	1249	1275	1250
Baloise Hdg R	2600	2565	2590	2610
ABB B	1492	1476	1483	1482
BK Vision	1435	1420	1425	1430
Bobst B	1659	1640	1659	1655
Ciba Geigy R	1542	1527	1530	1538
CS Holdings R	129	127.75	128.25	128
Elektrowatt B	484	474	479	475
Fischer B	1230	1203	1210	1242
Hilti PC	875	870	870	870
Holderbank B	925	912	917	919
Jul. Baer Hdg B	1336	1326	1329	1334
Merkur Hdg R	208	202	208	203
Nestle R	1427	1410	1414	1422
Oerlikon R	124.50	122	123.50	123.75
Pargesa Hld B	1370	1360	1360	1365
PharmVisn B	5610	5475	5475	5570
Pirelli B	157	154	156	156
Roche Hdg PC	9270	9200	9230	9270
Sandoz R	1448	1434	1436	1445
SBC R	237.25	236.25	236.75	236.25
Schindler B	1180	1175	1178	1180
SGS B	2805	2760	2760	2765
SMH B	842	822	837	825
Sulzer R	754	745	754	750
Swiss Reins R	1324	1306	1307	1316
Swissair R	1102	1090	1090	1104
UBS B	1188	1174	1180	1175
Winterthur R	759	751	753	751
Zurich Assur R	339	334	336	334

The Trib Index

Closing prices.

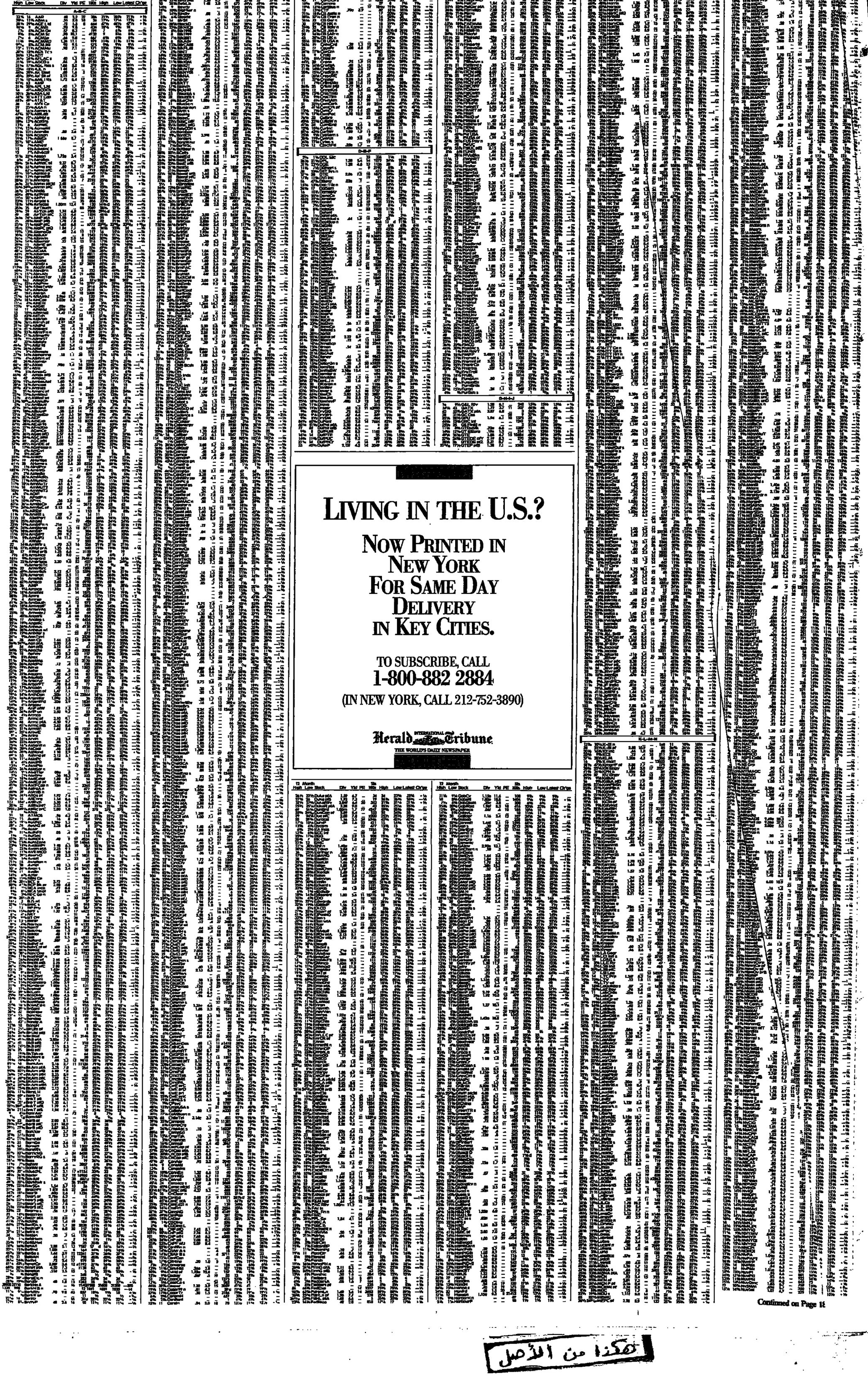
Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	137.15	-1.11	-0.80	+4.00
Regional Indexes				
Asia/Pacific	126.90	-0.84	-0.50	-5.48
Europe	146.999	-0.91	-0.62	+5.62
N. America	141.00	-1.87	-1.31	+9.92
S. America	107.60	-0.73	-0.67	+20.84
Industrial Indexes				
Capital goods	147.54	-1.49	-1.00	+11.03
Consumer goods	147.65	-1.45	-0.97	+6.94
Energy	144.06	-1.43	-0.98	+6.22
Finance	118.23	-0.57	-0.48	-7.07
Miscellaneous	142.69	-1.08	-0.75	+5.07
Raw Materials	163.89	-0.88	-0.53	+15.58
Service	125.95	-1.40	-1.10	+4.96
Utilities	128.26	-0.18	-0.14	+0.88

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg Business News.

NYSE

Thursday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.



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Continued on Page 18

تهكذا من الأصل

ASIA/PACIFIC

Tokyo Concedes the Economy Is Stalling Again

Compiled by Our Staff From Dispatches

TOKYO — Japan's recovery has temporarily stalled amid protracted inventory backups and a deteriorating microchip market, a senior economic planner acknowledged Thursday.

But Shinpei Nukaya, deputy minister of the Economic Planning Agency, said the agency was unlikely to alter its overall assessment that the economy was in a gradual recovery when it reported to the cabinet next week.

Almost a year after the Bank of Japan last cut its discount rate to a historic low of 0.5 percent, the ninth cut in four years, its relaxed monetary policy has yet to stimulate a strong recovery. Sales at large Japanese retailers fell 4.1 percent in July, the government said Thursday, the largest monthly drop since 1993 and the latest bad news for the economy.

Industrial production figures for July, due Friday along with unemployment data, will probably show a rebound after a sharp drop in June, analysts and the government say. But they are unlikely to offset the sales report and especially the grim *tankan* survey, the central bank's quarterly economic poll, which on Wednesday showed increased pessimism among manufacturers.

Japanese politicians are likely to seize on the latest gloomy economic data as reason to raise public spending to calm a public worried that the economy might be slipping back into recession.

"On the fiscal side, the argument for another supplementary budget to prevent fiscal policy from choking off the recovery is going to gather momentum," said Jesper Koll, chief economist at J.P. Morgan & Co.

But he and other private economists warned that such measures would do little to promote the real reforms needed to make the economy do more than putter along at low levels of growth.

Priming the pump by at least 2 trillion yen ($18.55 billion) in a supplementary budget for the year ending in March 1997 might help ensure there will be only a gradual drop-off from the stimulus of a mammoth public spending package enacted last year.

But economists point out that the punch delivered by such measures has diminished, while the packages — however attractive to campaigning politicians — worsen the budget deficit. Japan's total indebtedness is now equal to nearly 90 percent of its gross domestic product.

Mr. Nukaya spoke for most finance officials when he sought to rule out such a spending package Thursday.

"The tankan outcome will not lead to thought of a supplementary budget," he said. The quarterly survey had not indicated that the economy was slipping, he said, but rather that it had reached a "landing" stage in the upward cycle and so was at a standstill.

In explaining the tankan survey, Mr. Nukaya said producers of basic materials were still exhausting excess inventories. He also said the weakening of the microchip industry was no cause for concern, because it "emerged in a reaction to the exceptional strength" of the market.

"There are no indicators suggesting the need for an upgrade," he said of the economic report, "unless production data and unemployment data show noticeably good numbers."

Japan's recovery has, on occasion, shown signs of moving into a self-sustaining mode since the central bank began lowering rates. But such bursts have yet to lead to a full-fledged recovery because of a lack of acceleration in both capital and personal spending — the main fuel for a self-sustaining recovery.

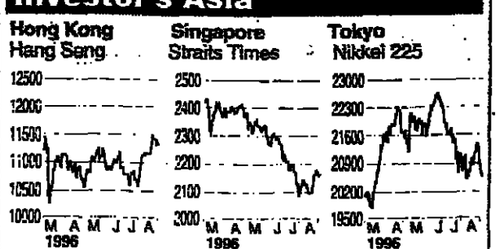
If the Japanese economy were suffering only from domestic factors, economists point out, the loose fiscal policy would have bolstered it by now. But a combination of factors, especially overseas competition sharpened by the strength of the yen, has stifled the impact of monetary policy.

Some economists say the inability of the economy to hold on to its gains means the possibility that Japan is falling back into recession cannot be ruled out.

"There are many uncertain factors," said Masaru Takagi of Fuji Research Institute, citing worries over a food-poisoning epidemic, the downturn in microchips and a fall-off in public spending. "There is a possibility that Japan might enter a light recession again."

(AFP, Reuters, KRF/Global, Bloomberg)

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	11,328.20	11,379.50	-0.45
Singapore	Straits Times	2,162.65	2,159.88	+0.13
Sydney	All Ordinaries	2,279.30	2,284.20	-0.21
Tokyo	Nikkei 225	20,553.16	20,709.81	-0.76
Kuala Lumpur	Composite	1,110.49	1,111.33	-0.08
Bangkok	SET	1,105.59	1,105.84	-0.02
Seoul	Composite Index	766.16	753.35	+1.70
Taipei	Stock Market Index	6,312.43	6,256.76	+0.89
Manila	PSE	3,215.79	3,200.96	+0.46
Jakarta	Composite Index	550.13	548.43	+0.31
Wellington	NZSE-40	2,239.54	2,240.49	-0.04
Bombay	Sensitive Index	3,493.61	3,438.80	+1.59

Source: Telekurs International Herald Tribune

Very briefly:

- **Canon Inc.**'s first-half group profit soared almost 90 percent, to 40.29 billion yen ($373 million), because of increased sales, efficient manufacturing and savings from restructuring. The company warned it would face uncertainties in the Japanese economy in the second half.
- **PT Telkom**'s first-half profit rose 45 percent, to 701.82 billion Indonesian rupiah ($300 million), as the number of installed lines jumped and expenses fell.
- **India**'s communications minister, Beni Prasad Verma, rejected demands to review all telecommunications contracts awarded in the past three years by his predecessor, Sukh Ram, who faces corruption charges.
- **Australia**'s current-account deficit widened 5 percent, to a seasonally adjusted 1.28 billion dollars ($1.01 billion), in July.
- **China Airlines**' first-half profit fell 15 percent, to 343.7 million Taiwan dollars ($12.5 million), because of rising fuel and labor costs. *(AFP, AFX, Bloomberg, Reuters)*

APEC Must Reach Goals, U.S. Says

Reuters

SYDNEY — The Asia-Pacific Economic Cooperation forum must start achieving tangible trade-liberalization goals or risk losing support, John Wolf, the U.S. ambassador to APEC, said Thursday.

"Leaders can't keep coming together and just having grand visioning," Mr. Wolf said at a briefing for the inaugural meeting of APEC energy ministers here. "For APEC as a whole to continue to attract attention, to engage the business community, I think we have to clearly demonstrate specific achievements."

The 18-member APEC group has set a goal of having free-trade regimes in place by 2010 between its developed economies and by 2020 between its developing nations. APEC leaders are to hold their fourth summit meeting in November in the Philippines.

APEC groups Australia, Brunei, Canada, Chile, China, Indonesia, Hong Kong, Japan, Malaysia, Mexico, the Philippines, Papua New Guinea, New Zealand, Singapore, South Korea, Taiwan, Thailand and the United States.

Mr. Wolf cited three specific goals: business mobility, mutual-recognition arrangements and the harmonization of customs. "Those are big deals" which would lower the cost of doing business within the Asia-Pacific region, he said.

HYUNDAI: *Korean Conglomerate Just Keeps Growing*

Continued from Page 13

concentrate their activities in fewer industries, as the government would now like them to do.

At the same time, fierce rivalries between the country's top business clans, their leaders' pride and a belief that selling off a business suggests a commercial defeat, has limited the amount of internal asset-pruning within the chaebol, analysts said.

"Because they need to compete with each other and because of their high-growth mentality, they continue to make more investments than may be rational," said Min Sang Kee, professor of international finance at Seoul National University.

But as Seoul pursues wide-scale market opening and liberalization in step with its bid to join the Organization for Economic Cooperation and Development, the chaebol may find it easier — and necessary — to say goodbye to some of their ancillary assets.

Hyundai Group, as its corporate literature puts it, is in everything from "chips to ships." It is South Korea's largest automaker. It operates the world's largest shipyard. It refines petroleum, smelts aluminum and wants to become one of the world's top five shipping companies within four years. Hyundai is Korea's second largest chaebol, after Samsung, based on annual turnover.

Hyundai Group companies also are in electronics, including semiconductor manufacturing, property development, heavy engineering and steelmaking among a broad range of business interests that include insurance and securities broking and underwriting. Not all subsidiaries are listed on the local stock exchange.

Yet, according to recent group moves, Hyundai plans to expand into new business areas, even as a new generation of family owner-managers charts the groups' future direction.

Hyundai has spurred keen debate about Korea's steelmaking industry, and a potential future glut, with its own plans to at least double and perhaps triple steel output at its Inchon Iron & Steel Co. subsidiary by building three new blast furnaces.

In addition to steel, Hyundai intends to redouble its efforts in automobiles, electronics shipbuilding and high-tech engineering.

Central Bank's Revisions Cut Thai Trade Deficit

Compiled by Our Staff From Dispatches

BANGKOK — The current-account deficit in June narrowed 21 percent from a year earlier, the central bank announced Thursday, although the improvement was partly based on revisions to the figures made by the Bank of Thailand.

The deficit was 34 billion baht ($1.34 billion), compared with 43 billion baht in June 1995, but upward revisions by the central bank of April and May figures accounted for two-thirds of that improvement.

"Looking only at the latest numbers, you get the impression of a big improvement," said Charl Kengchon, director of money and banking for Thai Farmers Bank Research Center Co. "When you look at the year-to-date trend, the account deficit is much worse."

For the first half of the year, the average monthly deficit in Thailand's current account widened 31 percent from a year earlier, to 34.9 billion baht. Last year, Thailand's deficit was 8.1 percent of gross domestic product, about equal to that of Mexico when it faced a financial crisis in 1994-95. The current account is a measure of goods, services and capital flowing into and out of a country.

The central bank also said exports last month totaled 114 billion baht on a preliminary basis, up 5.2 percent from July 1995, while imports came to 148 billion baht, an increase of 2.3 percent. It was the third consecutive month in which exports grew faster than imports. Still, export growth was well below the government's target of 10 percent.

"The big slowdown in imports is an encouraging sign," Mr. Kengchon said. "We are counting on a slowdown of the economy to protect us from an even bigger deficit."

Though exports rose from a year earlier, they fell 8 percent from the previous month. *(Bloomberg, Reuters)*

■ Weak Semiconductor Exports Widen Seoul Deficit

Poor semiconductor exports pushed South Korea's current-account deficit to a record $11.7 billion in the first seven months of 1996, up 79 percent from a year earlier, the Bank of Korea said, according to an Agence France-Presse report from Seoul.

In July, the deficit widened to $2.28 billion from $534 million a year earlier as exports declined year-on-year for the first time in 43 months.

Matsushita to Sell DVDs

Bloomberg Business News

TOKYO — Matsushita Electric Industrial Co. said Thursday it planned to be the first company to release digital videodisk players in Japan, with a target date of Nov. 1.

The company hopes to sell 30,000 a month of the machines, which are expected to eventually eclipse the market for compact-disk and videotape players. Executives said they hoped to sell the players in the United States before Christmas. Toshiba Corp., Mitsubishi Electric Corp. and Pioneer Electronic Corp. are expected to introduce versions of the players this year, but Sony Corp. said Wednesday that disputes about copy protection would delay the release of its players until early next year.

"It will eventually be a really huge market," said Joseph Osha, an analyst at Merrill Lynch Japan Inc. "There's momentum behind it, and it's replacing a format — analog videotape — that badly needs to be improved."

SOUTH AFRICAN RESERVE BANK

Monetary policy in a complex macroeconomic environment

Extracts from address by Dr C. L. Stals, Governor of the South African Reserve Bank, at the seventy-sixth Ordinary General Meeting of shareholders of the Bank on 27 August 1996

Continued but weaker economic expansion

The most important change in the South African macroeconomic scene over the past year was the substantial decline since February 1996 in the total net capital inflow from abroad. This sudden deceleration changed the overall balance of payments position, the foreign exchange market, the domestic financial situation, the local business mood as well as foreign investors' assessment of South Africa as an emerging market economy where sound high-yielding investments could be made.

The smaller net capital inflow from February 1996 onwards led to an overreaction in the foreign exchange market, and triggered a downward adjustment in the exchange rate of the rand which continued with intermittent pauses during the subsequent six months.

Not only the external economic relations of South Africa, but also domestic economic activity changed significantly from 1995 to the first half of 1996. Although the rate of overall real economic expansion has been retained at last year's level of about 3½ per cent, the primary sectors of production, and particularly agriculture and non-gold mining, have since replaced manufacturing and the services sectors as the prime movers of the economy.

The growth in overall expenditure, however, continues to outpace growth in total production with the result that large imports of goods and services are required to maintain equilibrium between overall demand and supply. The current account of the balance of payments therefore remains in deficit and, in the light of the decline in the net capital inflow, it has now become a matter of concern from a macroeconomic policy point of view.

Two major structural deficiencies of the South African economy were again tellingly exposed by the developments of the past year. Firstly, gross domestic saving continued to decline to a level of only 16½ per cent of gross domestic product. This was clearly not sufficient to finance in a non-inflationary way gross domestic investment equal to 19 per cent of gross domestic product, which in itself was still inadequate to sustain more rapid economic growth. The decline in the net inflow of foreign capital during the first half of 1996, which made less funds available for financing real investment, provided a strong reminder of the urgent need for a significant improvement in the propensity of the economy to save.

Secondly, despite the better economic growth performance over the past three years, very few additional job opportunities were created. In 1995 total employment in the formal non-agricultural sectors of the economy rose by only 0,6 per cent. Taking account of the growth in the labour force of more than 2½ per cent per annum, the total number of unemployed people increased by some 280 000 last year. Unemployment remains the most intractable economic problem of South Africa, and drastic measures are needed to raise the labour absorption capacity of the economy.

Foreign exchange market buffeted by exchange rate speculation

Triggered by an unfortunate combination of certain changes in the international financial markets, particularly in the United States of America, and several economic and political developments in South Africa that were construed to be unfavourable, the market in foreign exchange displayed unexpected turmoil starting in February 1996. An initial depreciation in the weighted exchange rate of the rand of 9 per cent from 13 February 1996 up to the end of March 1996 could still be justified in terms of underlying economic fundamentals such as inflation differentials, purchasing power parity, a weakening of South Africa's competitiveness in the international markets, and the growing deficit in the current account of the balance of payments. The subsequent further depreciation of 11 per cent from the end of March 1996 up to the end of July, however, could hardly be explained or justified in terms of these basic economic fundamentals. Unfounded rumours, speculative transactions and negative views of the South African socio-political situation, forced the exchange rate of the rand to a value which now surely does not reflect the true economic potential of the country.

The sudden slowdown in the total net capital inflow brought the underlying deficit in the current account of the balance of payments prominently to the fore as a policy priority. In the circumstances, the Reserve Bank had to provide the necessary foreign exchange from its foreign reserves so as to enable importers to continue to meet their commitments. The new situation now focuses the attention on the need to gradually reduce the current account deficit by reducing imports and/or increasing exports – a process that cannot be achieved overnight without extremely restrictive measures that will seriously disrupt the economic development process. During the necessary but slow transitional period it is expedient for the Reserve Bank to ease the stresses caused by the adjustment process by providing some assistance to the market.

Monetary expansion maintains strong momentum

The two most important aggregates for monetary policy purposes remain the M3 money supply and the total amount of bank credit extended to the private sector. Both these aggregates moved to relatively high rates of expansion during 1994 and prompted a more restrictive monetary policy stance. Throughout the greater part of 1995 and during the first half of 1996 the rate of increase in M3 fluctuated within a narrow band around the 15 per cent level, whereas the rate of increase in total bank credit extended to the private sector has been fluctuating around the 17 per cent per annum level for more than 20 months. Monetary policy has at best only succeeded in restraining the rates of increase in these aggregates, and prevented them from escalating to even higher levels.

For the present it is also relevant not to forget that the rate of inflation has declined dramatically during the past few years and equally important, that inflation has been below 10 per cent for three years in succession. Measured over twelve months, the rate of increase in the consumer price index declined to as low as 5,5 per cent in April 1996, before it reeled again under the influence of the depreciation of the rand and rose to 7,1 per cent by July 1996. There are, of course, extended time lags between changes in monetary policy and in the money supply, and also between changes in the money supply and in prices. An economy can often be inflation prone in terms of expectations long before the disease actually manifests itself. Monetary authorities must therefore always be on their guard, even in times when relatively low inflation is experienced.

The excessive rate of increase in bank credit extended to the private sector nevertheless remains a matter of concern, not only because of its effect on the money supply, but also because of the rising levels of indebtedness of private households. Accumulated household debt has now risen to more than 66 per cent of personal disposable income. The stage has been reached where the average South African household has to earmark almost six weeks' of its annual income for the sole purpose of servicing the cost of its debt.

It is essential that, in this volatile financial environment, financial markets remain flexible. Banking institutions in particular must be able to adjust their lending volumes and their interest rates at short notice in accordance with changes in the underlying flow of funds. In a rigid market situation the profitability of banks, and therefore their future capacity to grant loans, will be restrained.

Financial market developments reflect short-term volatility

Short-term developments in the financial markets have been reflecting the growing demand for credit as well as the volatility of international capital movements and exchange rate changes. The money market shortage increased from R3,2 billion at the end of July 1995 to R5,1 billion at the end of December 1995. The decline in the net foreign reserves since February 1996 has drained liquidity from the money market with the result that the shortage rose further to R11,0 billion at the end of April, only to recede to R8,6 billion at the end of July 1996. Reserve Bank accommodation can always provide temporary relief for acute liquidity shortages but, with the passage of time, banks must adjust their lending in accordance with the funds available in the market.

Participation by non-residents in the secondary bond market illustrates the new volatile element introduced into this market by South Africa joining the global financial markets. After having been net buyers of bonds for a total value of R4,9 billion from July 1995 up to February 1996, non-residents were net sellers to the amount of R2,5 billion in March and April, only to become net buyers again to the amount of R3,6 billion in May and June 1996. In July, their interest in this market waned once more and their net purchases declined to only R0,7 billion.

Yields on long-term government bonds first declined from 16,40 per cent at the end of July 1995 to 13,64 per cent at the end of January 1996. During the subsequent six months, however, these rates moved up again to 16,01 per cent at the end of April and 15,74 per cent at the end of July 1996.

Fiscal policy remains on course for gradual adjustment

The deficit in the main Budget, excluding extraordinary transfers, was reduced as a percentage of gross domestic product from 6,6 per cent in the fiscal year 1992/93 to 5,6 per cent in the fiscal year 1994/95. A substantial carry-over of R6,4 billion of unspent funds at the end of the fiscal year 1995/96 contributed to the reduction in the actual deficit to 5,1 per cent in that year. For the fiscal year 1996/97, the deficit was estimated at 5.1 per cent of gross domestic product.

For monetary policy purposes it is of the utmost importance that the fiscal deficit and dissaving by government be reduced further. This will alleviate the burden on monetary policy to maintain financial stability, and thereby also allow for lower interest rates.

Monetary policy in a complex macroeconomic environment

From the foregoing it is clear that the present macroeconomic environment in South Africa is a complex and uncertain one, reflecting not only the major political and social reforms that have been taking place in the country, but also the reintegration of South Africa within a changed global financial system that exposes the economy to greater volatility.

In last year's situation of an overall balance of payments surplus, the Reserve Bank had to buy foreign exchange against the creation of rand, which it can of course do in unlimited amounts, provided, however, that the surplus domestic liquidity created in the process is neutralised through other macroeconomic policy actions. In the present situation, with an overall balance of payments deficit, the Bank must supply foreign exchange against rand but it is in this case restricted by the limited amount of foreign reserves at its disposal. The growing need to accelerate the restoration of greater equilibrium in the overall balance of payments through changes in the underlying fundamentals has therefore become self-evident.

The Reserve Bank more than any other institution is aware of the adverse implications of high interest rates for many sectors of the economy. As part of its policy of gradual adjustment the Bank has nevertheless over the past twelve months allowed interest rates to rise, not only in nominal terms, but even more so in real terms. Monetary policy has indeed effectively been tightened as inflation declined while nominal interest rates were not lowered. Given South Africa's complex macroeconomic situation, the choice for monetary policy, however, is not only between higher or lower interest rates, but rather between high interest rates now or high inflation in the future. In terms of its mandate, the Reserve Bank has no option but to protect the value of the currency. If the Bank were to fail in this, its prime responsibility, many of the objectives of the *Reconstruction and Development Programme*, as recently incorporated in the Government's *Macroeconomic Strategy for Growth, Employment and Redistribution*, will not be attainable.

Monetary policy is consistently being pursued within the framework of the new *Strategy for Growth, Employment and Redistribution*, which is also fully supported by the Reserve Bank. The effective implementation of macroeconomic policies as outlined in the strategy, will indeed relieve monetary policy of much of the heavy burden that it must now carry to maintain overall financial stability. In particular, a successful reduction of the fiscal deficit to eliminate government dissaving; a further lowering in import tariffs; an effective promotion of exports, an aggressive public sector asset restructuring programme; and further improvements in the labour market aimed at achieving higher productivity, more competition and greater flexibility, together with progress towards establishing a lasting social accord to facilitate wage and price moderation, will reduce inflationary pressures in the economy, and lead to a lowering of interest rates in general.

Apart from adhering to monetary policies that are consistent with the directives of the strategy, the Bank will also continue to advise the Minister of Finance on a responsible programme to gradually phase out exchange controls. Good progress has already been made during the past two-and-a-half years on this front and further steps can be expected as and when justified by the successful implementation of the overall programme of economic restructuring.

Concluding remarks

The present situation reflects many of the traditional constraints experienced in the past when the South African economy was at a similar stage of the business cycle.

Firstly, after more than three years of economic expansion, the domestic economy is now losing some of its vigour as reflected in a slowdown in the rate of expansion in manufacturing production as well as in the services sector, and also, as could have been expected, in most of the components of gross domestic expenditure.

Secondly, the overall balance of payments is in deficit because of large increases during the past two years in imports needed to supplement domestic production and to meet the requirements of large investments in both fixed capital and inventories apart from the growing demand for consumer goods.

Thirdly, both bank credit extension and the money supply are increasing at excessive rates, and they lag behind the slowdown in the growth of real economic activity. This may reflect some distress borrowing, but may also be due to structural changes in the South African economy. Over the medium term, however, the rates of increase in the monetary aggregates must be reduced and again brought more in line with the growth rate in nominal gross domestic product.

Fourthly, interest rates remain under upward pressure, and are placing an increasing burden on government, businesses and private households.

The balance of payments deficit at its present level is obviously not sustainable, particularly after the substantial decline in the net capital inflow since February 1996. The challenge for macroeconomic policy at present is to judge whether the current slowdown in economic growth will be sufficient to correct the external imbalance, and whether the current monetary policy stance is restrictive enough to underpin this unavoidable adjustment process. In this assessment, account must also be taken of the expected effects of the depreciation of the rand on imports and exports, which will only work through with some considerable time lag.

The Reserve Bank's view is that, in the present situation, the Bank should provide some assistance to the market in foreign exchange by selling foreign currency from the official reserves, supplemented by available foreign credit facilities, if necessary. The Bank should also support the money market to assist banking institutions in bridging the period of transition to more stable conditions. In this way, the unavoidable but painful adjustments will become more tolerable. At the same time, macroeconomic corrective market forces must not be impeded, but deliberately encouraged, where necessary, to restore balance of payments equilibrium with a minimum of disruption. Exporters have an important part to play in this adjustment process by taking advantage of the current favourable exchange rate.

The need for a downward adjustment in the rate of expansion in total economic activity will, of course, be reduced considerably if more long-term foreign investment funds can be attracted. The effective implementation of the Government's *Macroeconomic Strategy for Growth, Employment and Redistribution* can make an important contribution towards creating a more friendly investment environment, for both foreign and South African investors. It also remains of crucial importance that the present wave of crime and violence be seen to be curtailed, and that greater confidence be gained in our determination as well as ability to achieve our longer term economic goals in the interest of all the people of this country.

ADCORP GRAPHICS 2171

NASDAQ

Thursday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Thursday's 4 p.m. Close
(Continued)

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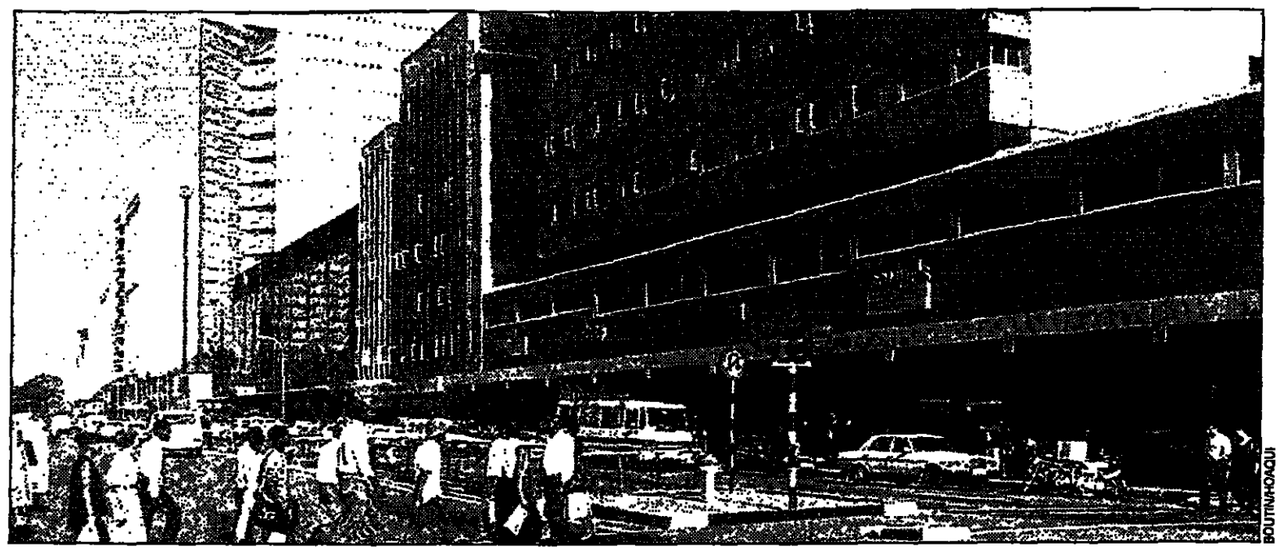
SOUTHERN AFRICA: ZIMBABWE TRADE

Economic deregulation has increased foreign investment in Zimbabwe in recent years. Now the government is turning its attention to the fiscal environment, beginning with the budget. Right, the busy center of Harare, the capital of Zimbabwe.



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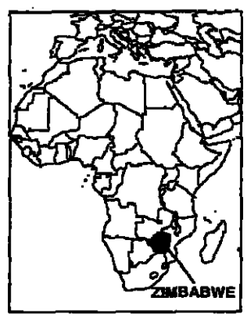

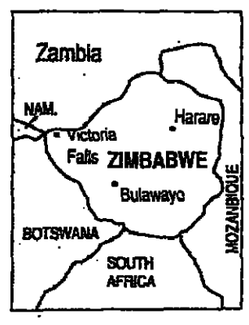

ZIMBABWE AT A GLANCE

Population: 11 million
Area: 389,000 square kilometers (150,193 square miles)
Main cities: Harare (pop. 1.49 million), Bulawayo (pop. 622,000)
GDP: $7.24 billion* (1996 forecast)
GNP per capita: $490
Growth rate: 3.1 percent a year
Exports: $209.18 million
Imports: $188.78 million
State gold and foreign assets: $432.35 million (June 1996)
National foreign currency reserves: $1.07 billion (May 1996)
Tobacco production: 198.8 million kilograms, $421.6 million
Gold production: 23.4 tons, $288 million
Tourist arrivals: 1.36 million
Tourism earnings: $193.88 million

* All figures are in U.S. dollars and are for 1995 unless otherwise indicated.

Sources: *Zimbabwe Central Statistical Office, World Bank, Standard Chartered Bank, Zimtrade, Reserve Bank of Zimbabwe, Zimbabwe Tobacco Association, the Chamber of Mines of Zimbabwe, the Zimbabwe Tourist Authority.*

Investment Climate Warms Up

The country has an educated and low-cost work force, low costs, and a good physical and social environment.

Finance Minister Herbert Murerwa should take genuine pleasure in delivering his maiden budget later this month. The heavens opened in the 1995-96 rainy season, spurring economic growth on to a forecast 8 percent, the strongest recovery since independence in 1980.

Manufacturing and agriculture, after a decade of mostly drought-induced sluggish performance, will rebound, backed by a steadily rising mining output. The season will bring on a sharp rise in consumer spending, enhanced by a fall in the prices of foodstuffs.

This means money in state pockets and leeway for President Robert Mugabe's government to accelerate economic reforms.

Zimbabwe is unique in Africa. A small nation of 11 million people, it has infrastructure and a diverse economy that set it apart from the rest of the continent. Only South Africa, with its vastly greater resources, stands ahead of it. Zimbabwe had to work very hard to justify qualifying for International Monetary Fund (IMF) low-interest financing intended for the poorest group of African countries.

Zimbabwe boasts a high standard of education, low production costs, relatively cheap labor, a benign climate and the absence of any serious security problems.

Bridging the gaps

Some problems exist, however, given the huge disparity in incomes between the tiny urbanized elite, the urban poor – with an unemployment rate of over 30 percent – and a numerically dominant rural peasant sector living in chronic poverty. This means that Zimbabwe needs vigorous economic growth – and the country is capable of achieving it.

Zimbabwe boasts a high standard of education, low production costs, relatively cheap labor, a benign climate and the absence of any serious security problems.

This year, Zimbabwe is introducing ESAPII, the second phase of its World Bank- and IMF-backed Economic Structural Adjustment Program. The first five-year phase ended last year.

Zimbabwe has slowly abandoned its price controls, wage setting, high taxes, rigid exchange controls, fierce import controls and labor restrictions.

"It [deregulation] was a partial success, especially if you look at where the government was coming from then," says Danny Dube, chief economist at the state-owned Commercial Bank of Zimbabwe.

The government's deregulation goals have been largely met, but this is still not enough. The economy stagnated during the first five years of reform, with the GDP rising at less than 1 percent over those years, according to Standard Chartered Bank. In the decade ending last year, real per capita income fell 14 percent.

Fiscal environment first

With ESAPII, Mr. Murerwa will have to start with the fiscal environment, beginning with his budget and the target for the budget deficit, set last year at 6.7 percent but looking more as if it will hit about 10 percent, according to Standard Chartered's estimates.

Mr. Murerwa recently said that government overspending and the resulting deficit were the main causes of Zimbabwe's inflation forecast for the year (21 percent) and the high lending rates (about 29 percent).

A debt burden was also developed during ESAP; it now stands at 75 billion Zimbabwean dollars ($7.65 billion), or 106 percent of projected GDP in 1996, with government domestic borrowing gobbling up 80 percent of local resources.

The success of Mr. Murerwa's measures to trim government spending will determine whether the IMF resumes lending. A $120 million loan was withdrawn last year when budgetary measures failed to meet the organization's expectations. And hanging on the IMF's backing is the support of the World Bank and the rest of the donor community, with many millions of dollars in crucial balance of payments support. "I think now the government realizes, through pressure from the IMF to reform, that it just has to institute a business culture in government," says Mr. Dube.

FIONA MCDOUGALL/IPA PRESS

Robert Mugabe, president of Zimbabwe.

Economic deregulation has brought an upturn in foreign investment, and the Zimbabwe Investment Centre (ZIC) reports that approvals of projects that it granted for the first four months of this year reached 600 million Zimbabwean dollars, making 1996 the best year since ZIC's inception five years ago. •

"SOUTHERN AFRICA: ZIMBABWE TRADE"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITER: *Jan Raath, based in Harare.*
PROGRAM DIRECTOR: *Bill Mahder.*

Zimbabwe Supply Electricity Authority

We are committed to the total electrification of Zimbabwe at world class standards and competitive prices.

To meet the country's energy requirements for the future, projected to grow at about 6 per cent per annum, the Zimbabwe Electricity Supply Authority (ZESA) has embarked on a multi-billion dollar programme that will see its generating capacity just about double by the year 2005.

In fulfilling this goal, the Authority has put in place the following strategies.

REFURBISHMENT OF POWER STATIONS

- Refurbishment of 120MW of two of the country's four coal- fired thermal stations in Harare and Munyati has been completed. This will improve capacity availability for the next 10 - 15 years.
- The 920 MW coal-fired Hwange Power Station, which currently provides over 55 per cent of the country's energy requirements, is to be extended by 660MW by the early 2000's.
- The 666MW Kariba South Hydro Power Station, which has been operating since 1960, is being refurbished and uprated and will have a capacity of 750MW when complete.
- Feasibility studies have been concluded to develop a 1600MW hydro electric scheme at Batoka Gorge, a site with the least adverse environmental impact on the Zambezi River.

PRIVATE SECTOR PARTICIPATION

- The Zimbabwe Government's economic reform programme has facilitated the participation of the private sector in power generation.
- Towards this end, the Authority has assisted with the development of the 700kW Rusitu Mini-Hydro Power Station which is soon to be linked to the ZESA grid. ZESA is also assisting with feasibility studies being undertaken by another private sector company for a proposed 600MW coal-fired Sengwa Power Station near Lake Kariba.
- It is planned that the Hwange Stage 3 project which entails the addition of two new 330MW generators at a cost of nearly US$600 million will be jointly funded by ZESA and the private sector.

DEMAND MANAGEMENT

In order to release capacity for expansion at least-cost, the Authority has been promoting energy conservation. For the very remote areas, ZESA would like to facilitate the utilisation of solar energy as a strategy to create demand for electricity ahead of grid extensions. Solar power will help to develop the market necessary to enhance the viability of grid extensions.

REGIONAL CO-OPERATION

(a) The Authority is currently constructing a 400kV interconnector to Cahora Bassa in Mozambique.

(b) The Matimba-Insukamini Interconnector with South Africa, is now operational

Each interconnector is capable of transmitting at least 500MW.

The Power Driving The Economy

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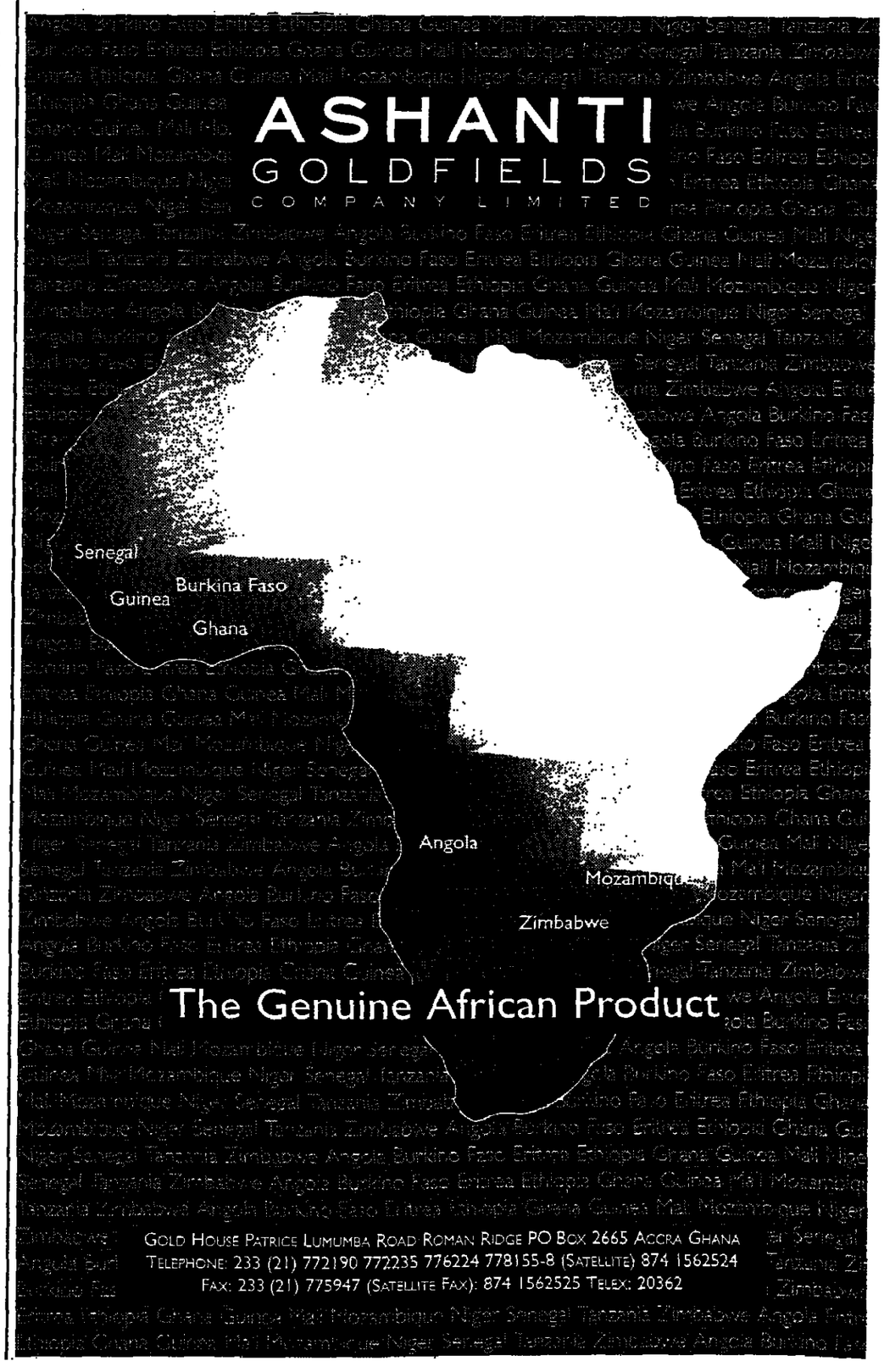

SOUTHERN AFRICA: ZIMBABWE TRADE

Circle of Trade Partners Is Widened

BOUTMHOAQUI

Union Avenue in the center of Harare. Zimbabwe's business community is looking closely at neighbors other than South Africa for potential markets.

South Africa's high tariffs have made other countries more attractive.

After decades of having its eyes fixed on South Africa, Zimbabwe's business community is being forced to look closely at its other neighbors – and has begun to find them profitable markets.

Ironically, the demise of apartheid in South Africa, which Zimbabwe fiercely campaigned for, has not produced economic rewards. A most-favored-nation trade agreement was effectively scrapped in 1992 when South Africa introduced a series of prohibitive new import tariffs, and Zimbabwean pleas for a radically revised trade agreement have been firmly rebuffed.

Zimbabwean textile and clothing exports, which dominate manufacturing, are in serious trouble. The industry shed 14,000 jobs within six months of the announcement, and production last year was down about 40 percent from the previous year.

Making matters worse for Zimbabwe, the South African trade department introduced generous tax breaks for exporters, allowing them to undercut domestic production in markets in the rest of Africa.

"Before the 1994 elections [that brought President Nelson Mandela's African National Congress government to power], the South African government was desperate for political recognition and was more serious about trade negotiations," says Mike Humphrey of Harare-based Gemini Consulting, which specializes in trade issues. "It was a political agenda, but now it's been replaced by an economic agenda, a heavy South African-interests-only agenda."

Imbalance of trade

South African business has penetrated its less-well-off neighbors with vigor. Last year, Zimbabwe's exports to South Africa were 2.01 billion Zimbabwean dollars ($205.3 million), while its imports from the south were 8.79 billion Zimbabwean dollars, a big gap of 6.78 billion Zimbabwean dollars in Pretoria's favor.

Significantly, the value of South Africa's exports to Zimbabwe were up 48 percent over the previous year, while the flow of Zimbabwean goods to the south rose only 13 percent. In real terms, it declined, economists say.

Girding for battle?

Opinion has turned against South Africa for what is perceived as its violation of World Trade Organization (WTO) rules. There is talk of a trade war, with President Robert Mugabe of Zimbabwe warning in Cape Town last May that Zimbabwe was preparing to raise its import tariffs on South African goods.

Zimbabwe's exports to the region outside South Africa were a third higher than exports to South Africa.

Mr. Humphrey says that until now, South Africa's huge trade surplus has blocked any motive for it to reconsider its "big brother" stance. But the new threats to its trade with Zimbabwe are serious. It is only in the Southern African region that South African manufactured goods have an export market, while its trade with the rest of the world is dominated by primary products. Closing off the Zimbabwean market would have a major effect on South Africa's manufacturing sector.

With all the pressures, "the politicians are realizing they have to do something about the situation," says Mr. Humphrey. At recent talks with Zimbabwe in Victoria Falls, South African Trade Minister Alec Erwin committed himself to signing a revised version of the 1964 treaty within two months.

"But this is just tinkering," says Mr. Humphrey. The old agreement is based on a manufactured output of about 1,000 manufactured articles, and domestic production now runs to over 7,000. "Zimbabwe wants a whole new, much wider agreement."

Political will on its own is not enough.

"On tariffs and quotas, I think the politicians in South Africa want to see some movement," says Stella Mushiri, an economist at Zimtrade, the state-owned trade promotion organization. "But I don't think South Africa's private sector, and to a lesser extent its union movement, are very keen to give Zimbabwe access to its market."

The government and the private sector in South Africa "have a lot of talking to do" before they can agree on the lowering of trade barriers with Zimbabwe, according to Ms. Mushiri. "It's very difficult now to say whether or not I am optimistic. Things could go either way, depending on how much leverage the South African politicians have over the private sector and the unions."

IMF to the rescue

Taking a leaf from South Africa's book and doing business in the rest of Southern Africa is a route that has become increasingly attractive now that nearly every country in the region has adopted the International Monetary Fund-backed economic reforms that dissolved the old trade barriers. Trade with Namibia surged 1,406 percent between 1992 and 1995 as a direct result of the signing of a bilateral trade agreement, and trade with Malawi increased 56 percent between 1993 and 1995 for the same reason. Trade with Zambia went up 55 percent last year and could have been much better had talks for a treaty not stalled.

Zimbabwe's exports to the region outside South Africa were worth 3.03 billion Zimbabwean dollars last year, out of a total value of 16.02 billion Zimbabwean dollars, a good third higher than exports to South Africa. That they only rose 6 percent against the previous year is seen as a consequence of a drought, the government's failure to come to grips with inflation, the government's tardiness in establishing export processing zones and an overvalued currency that made its exports less competitive.

"For those companies willing to survive, even thrive in Zimbabwe's currently adverse economic climate, the answer lies in increasing their regional trade," says Mr. Humphrey. •

Reaching the Summit

The International Herald Tribune will convene a major Southern African summit meeting this year on trade and investment in the region.

The meeting in the Harare Sheraton Hotel on Oct. 23 and 24 will be addressed by the presidents of Angola, Botswana, South Africa, Zambia and Zimbabwe, followed by private and public sector leaders from inside Southern Africa, as well as from America and Europe.

With Southern Africa expected to enjoy the second fastest growth rate in the world, after the Pacific Rim, the conference aims to offer senior executives from international companies a close look at investment opportunities in the region as its governments embark on market-oriented policies.

The meeting is one of a series organized by the IHT worldwide and follows the first gathering on Southern Africa held in Johannesburg last year.

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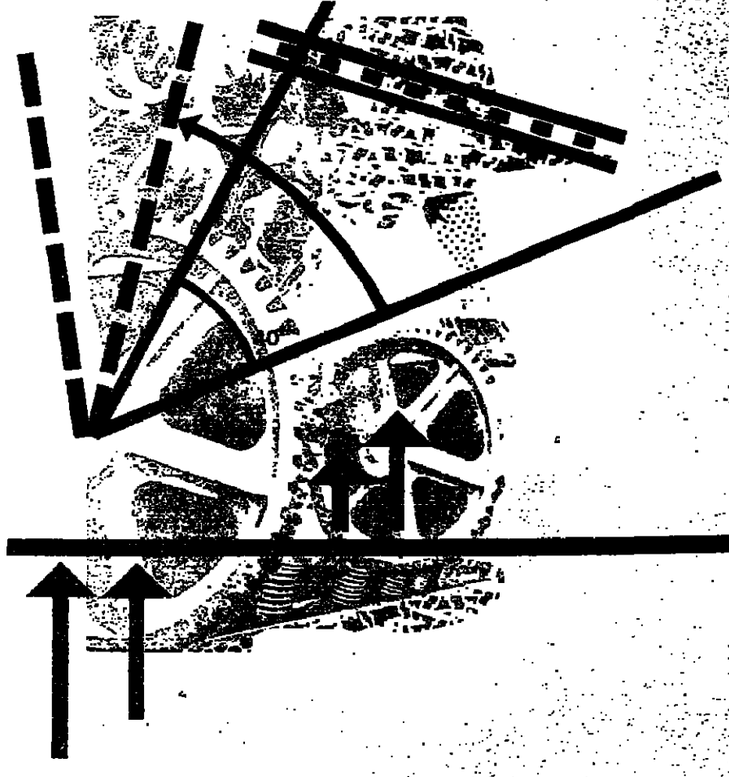

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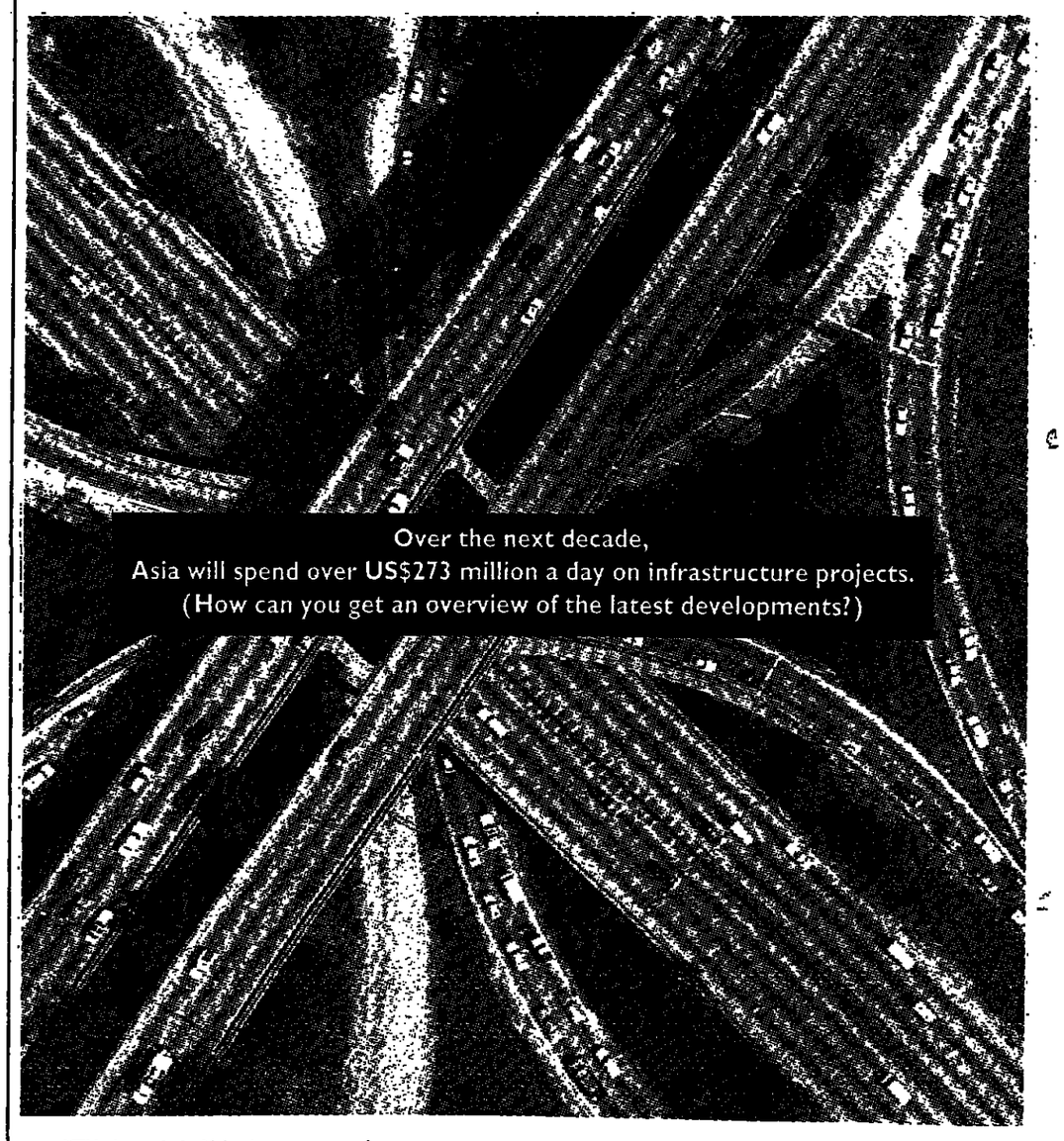

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SOUTHERN AFRICA: ZIMBABWE TRADE

Buried Treasures Yield Wealth

Platinum is a top-earning prospect.

Zimbabwe is Africa's third-largest gold producer and is a world-ranking producer of nickel, lithium and a variety of other minerals.

Zimbabwe's Great Dyke, the geological rupture running diagonally through the center of the country, holds an astonishing cocktail of mineral wealth and is about to yield its richest treasure yet.

By October 1997, the Hartley Platinum Project – the country's first platinum mine, lying 80 kilometers (50 miles) west of Harare and jointly owned by two Australian companies, Broken Hill Proprietary (BHP) and Delta Gold – is due to begin full-scale production after a six-year gestation, with output of 150,000 ounces of platinum a year. The volume, a modest 3 percent of global output, will make Zimbabwe the world's second-largest platinum producer. Output from the $264 million Hartley mine alone will sharply push up national earnings from mining.

It is widely known in the mining industry that the forecast 150,000 ounces are only the first phase at Hartley; second and third phases have already been approved to double production, then triple it to 450,000 ounces. In addition to platinum, the mine will also produce the platinum group metals palladium and rhodium; precious metals gold and silver; and base metals copper, cobalt and nickel. The third-phase production value of all metals from the one mine is expected to be equivalent to 73 percent more than the value of the country's entire output of gold, from 450 producers, of 24.3 tons (781,245 ounces) last year.

Next year, BHP and Delta are expected to make announcements on three other adjacent properties – Mhondoro, Middleridge and Ngezi.

The two companies are not alone. Farther down the Dyke to the southeast, near the village of Shurugwi, is South African-based Anglo American Corporation's Unki platinum project. This project already has underground workings that the company started in the 1970s but abandoned because of the 1970-80 civil war. The company also plans to start a pilot project at Unki.

Farther south is locally owned Zimbabwe Mining and Smelting Company's (Zimasco's) Mimosa mine, which has been in a pilot phase for six months, with an ore output of 22,000 tons a month. The full-production goal is 380,000 tons.

"These all have the potential to outstrip South Africa," says Peter Simpson, a director of Harare mineral process engineers Peacocke and Simpson. Mining is the third-largest contributor to the country's GDP – at 5.7 percent last year – after manufacturing and agriculture, but it is the only one of the three whose GDP share is growing.

Zimbabwe is Africa's third-largest gold producer, after South Africa and Ghana, and it is a world-ranking producer of ferrochrome, nickel, lithium, graphite and natural corundum. Together, the new ventures will take the industry and the Zimbabwean economy to new levels.

The Great Dyke is the second largest platinum deposit outside South Africa's Bushveld Complex, but it has a major drawback: the unstable, unsafe rock holding the platinum. "The ground needs an awful lot of propping," says Mr. Simpson.

Gold, whose value last year accounted for 48 percent of all mineral earnings, "doesn't have a glittering future," says Mr. Simpson. It will continue to be a steady earner, boosted by developments like Ghana-based Ashanti Goldfields' new underground mine at Freda Rebecca, which came on board this year, but dramatic expansion is unlikely.

Diamonds have been a great hope since five years ago, when a Canadian aeromagnetic survey turned up scores of hitherto unknown geological anomalies indicating diamondiferous pipes. Sixty-five percent of the country's area is currently covered by prospecting licenses for diamonds, but so far only Australian-based Auridiam has turned up anything substantial, at its River Ranch prospect at Beitbridge on the southern border – and even then the grades were disappointing. "It may take a while before something big turns up," says Mr. Simpson.

Output of high-carbon ferrochrome is set to rise sharply within the next two years as Zimasco switches on its slag dump re-treatment operation with $140 million worth of chrome waiting to be recovered. Anglo American's Zimbabwe Alloys has also spent $12 million to get the same volume of low-carbon ferrochrome through dump re-treatment but has had technical difficulties.

Anglo American is hoping to double the output of nickel, 10,864 tons last year, by its Bindura Nickel Company with a new mine at Hunters Road in the country's midlands.

Telecoms No Longer on Hold

Some 110,000 Zimbabweans are in line for a phone connection, which in some cases can mean a five-year wait. But time and long-overdue structural changes in the Posts and Telecommunications Corporation will enable the PTC to deliver a connection to a subscriber within 24 hours as a five-year, $1 billion modernization program unfolds.

Fiber-optic links are replacing paper-insulated copper cables – some of them 50 years old – and digital systems and microwave radio links are replacing the country's electro-mechanical technology.

"We cannot afford to have bad service," says Tariro Chaza, the PTC's director for corporate planning. "We are trying to make sure we're a part of the global market. There is a great realization in the corporation that we have to move ahead." Indeed, the Zimbabwe Supreme Court ruled last year that the telephone service's inadequacy violated users' constitutional right to freedom of expression. The suit was instigated by a private company trying to set up the country's first cellular telephone network.

Significant progress

June marked the end of the first year of the modernization program, and credit has to be given for significant progress achieved. Zimbabwe now has 174,000 direct exchange telephone lines, and the 20,000 lines connected in the last year made for the highest number of installations ever in a year. National teledensity – the standard used to measure the provision of telephones – rose from 1.35 telephones per 100 people last year to 1.5 this year.

By the time the five-year plan ends in June 2001, Zimbabwe's telecommunications network will have stepped into the first world. Teledensity, in a country where more than half of the population of 11 million lives in isolated farming areas, is forecast to be 2.92 per 100 people, with a total of 401,000 lines.

By June 2001, Zimbabwe's telecommunciations network will have stepped into the first world.

The waiting list will have been slashed to insignificance by the one-day line provision. The successful call completion rate – a connection made without any problem – is expected to double from 40 percent this year to 80 percent. Fault clearance by technicians on a line is expected to move from the current 87 percent in 30 days to 100 percent in a week, with 95 percent cleared in the same day. The occurrence of faults will drop from 2.7 faults per line a year now to less than one, says Mr. Tariro.

None of this is wishful thinking. The PTC has made considerable progress since independence in 1980, installing two earth satellite stations and digitalizing 45 percent of the system. But PTC management has had to clear virtually all decisions with the central government, which has slowed the development of the system.

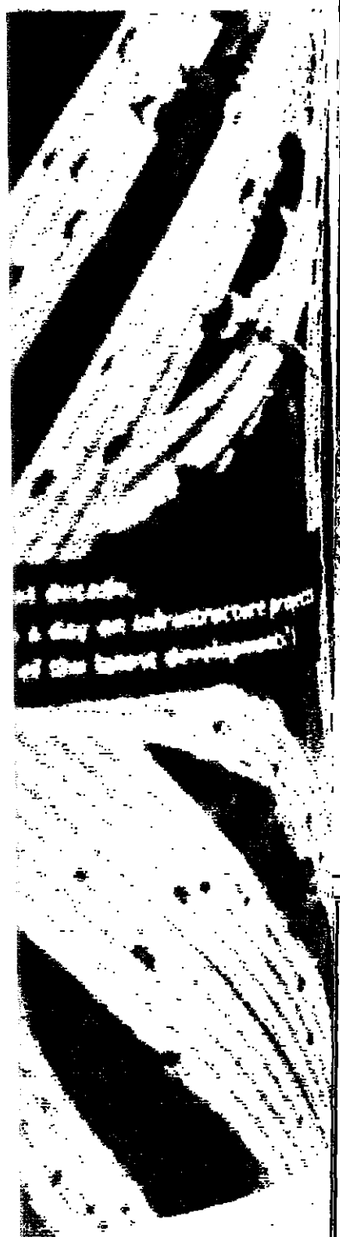
Cutting apron strings

The snipping of the state's apron strings is critical for the success of the five-year program, according to Mr. Tariro. The PTC is one of the government's first targets for revocation of parastatal status. Like any other private company, it will be under the jurisdiction of the Companies Act, though initially it will be wholly state-owned.

Commercialization will not only accelerate decision-making but also give the PTC direct access to commercial offshore borrowing.

This will become even more important as the availability of the bilateral soft loans on which the PTC has depended heavily becomes increasingly restricted.

A study on commercialization, to form the basis of the change in status, is in final draft form, as is the necessary legislation. In addition, a fledgling independent telecommunications regulatory authority has been established, opening the way for private cellular telephone operations.



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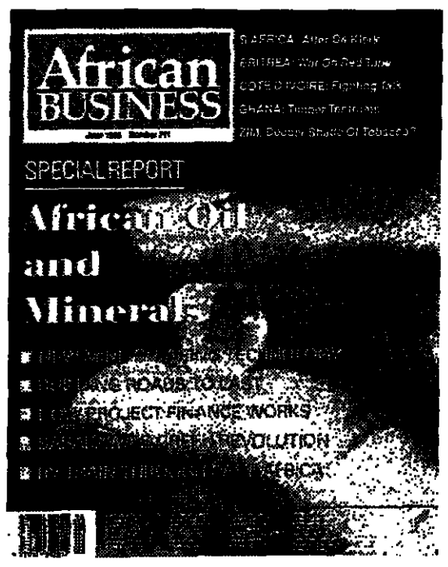

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SOUTHERN AFRICA: ZIMBABWE TRADE

Privatization Steps Up Pace

The rate of privatization of state-owned companies has quickened, and many industries have been affected for the better.

Zimbabwe has begun – cautiously – to privatize an amorphous collection of state-owned enterprises. About half of the country's GDP of $2.5 billion until recently comprised parastatal companies directly answerable to civil servants, state-owned private businesses and large chunks of equity in blue-chip corporations on the Zimbabwe Stock Market (ZSE).

Some of it is a liability, like the 3.9 billion Zimbabwean dollars' worth ($397.96 million) of debt that the government recently took over from its grain, beef and cotton marketing companies.

The state-owned Mhangura Copper Mine is currently trading at 0.25 Zimbabwean dollars a share on the ZSE. More productive than Mhangura is the 720 million Zimbabwean dollars' worth of shares in the brewery-based Delta Corporation.

The World Bank and the International Monetary Fund (IMF) are urging the government to privatize at a faster rate.

Efficiency, service and profits

The first step has been what the government calls "commercialization," which means that 100 percent state ownership is retained while removing the parastatal status of most companies, abolishing restrictive marketing laws and providing the companies with boards composed of private sector figures rather than civil servants and politicians.

Dairibord, which used to have a monopoly on the marketing of dairy products, is now making a profit and has been adjudged ready for a listing with the ZSE. The Zimbabwe Electricity Supply Authority (ZESA) has also transformed its image to that of an efficient and customer-conscious system.

Stanley Heri, chief executive of the Horticultural Promotion Council, whose growers are the main users of Affretair, the national air transporter, says the company's performance improved "significantly" last year after the government appointed a new board and absorbed a 75 million Zimbabwean dollar debt.

Putting the people first

But the government has been slow to let go of the handlebars when it comes to ownership. Last year, the state-owned Zimbabwe Development Corporation (ZDC) sold 900 million Zimbabwean dollars' worth of the government's 38 percent shareholding in Delta, which President Robert Mugabe disapproved of because much of it went into emerging market funds overseas.

"We don't want foreigners buying all the shares," says Cephas Msipa, minister without portfolio and head of the newly formed Department of Privatization and Indigenization. "We want to keep them in trust for our people."

The government is uncertain about how to address the problem of a lack of business participation among the country's 11 million blacks.

It is clear, says Mark Tunmer, director of Harare stockbrokers Edwards and Company, that Mr. Mugabe's attention has been caught by "Bumiputra" (Malay for "sons of the soil"), the Malaysian idea of introducing corporate ownership to ordinary Malays and reversing the ethnic Chinese community's domination of the economy.

The Kuala Lumpur government privatized by parceling state assets in unit trusts and offering very low-priced units for sale exclusively to Malays. The concept has grown breathtakingly, to the point where the single national investment trust has been followed by state, city and even village trusts. "It brought the people in," says Mr. Tunmer.

Legislation afoot

Mr. Msipa says that by September there will be "some movement" in the establishment of a national investment trust to provide low-cost finance to enable black Zimbabweans to buy into state assets and to provide for the warehousing of state assets. Business sources say that legislation to create the trust and to regulate it will be proposed in the current session of parliament.

Mr. Msipa has given no hint of the method he favors for disposing of shares or units, but it is expected that the Malaysians will again provide the example and that state companies will be floated on the stock exchange, with the national investment trust given the first bite, followed by local institutional investors and lastly by foreign buyers.

Legislation to create a national investment trust enabling black Zimbabweans to buy into state assets is likely to be proposed in the current parliamentary session, and state companies are expected be floated on the stock exchange.

Business opportunities

Companies are looking out for business opportunities as privatization evolves. One example is Trans Zambezi Industries (TZI), a diversified sub-Saharan group that is listed on the Luxembourg Stock Exchange.

Hillary Duckworth, chief executive officer of TZI, believes there are opportunities for companies that are well managed and have access to capital. TZI, which acquired Chloride CA three years ago, is currently acquiring one of Zimbabwe's largest industrial groups, the paper and packaging manufacturer ART Corporation and its associate companies.

Bringing in local investors

"We intend to continue our strategy of building a large and profitable regional group," says Mr. Duckworth. "We are also seeking partial listing for TZI's shares on the Zimbabwe Stock Exchange. This could take the form of a Zimbabwe Depository Receipt, which would be the first of its kind and would provide local investors with a chance to participate in the future of the company." •

Farm output in Zimbabwe is expected to bound ahead this year, and farmers will produce their biggest crop of corn in 10 years.

Farm Redistribution to Begin

The government's effort to redress inequality has engendered new challenges.

Zimbabwe's small body of beleaguered commercial farmers, most of them whites, continues to surprise everyone by carrying on feeding most of the country, growing large surpluses and making the sector grow despite the awesome odds ranged against it.

Abundant rainfall in the 1995-96 growing season broke a decade of persistent drought, and farm output is expected to bound ahead 40 percent in real terms this year, to 13.4 billion Zimbabwean dollars ($1.37 billion), pushing GDP growth up to 8 percent in this agriculture-based economy.

Tobacco, the economy's front runner, ahead even of gold, is forecast to reach 200,000 tons and to earn at least 6 billion Zimbabwean dollars. Farmers will produce their biggest crop of corn in 10 years, 2.6 million tons worth 1.09 billion Zimbabwean dollars. Beef will pick up 1.47 billion Zimbabwean dollars, most of it from high-quality exports to Europe. Sugar is heading for a near-record crop of 501,000 tons and earnings of 918 million Zimbabwean dollars, and horticulture, a newcomer in agriculture, shifts into fourth place with exports worth 997 million Zimbabwean dollars.

Government plan

The commercial sector is responsible for 83 percent of national farm output. The balance comes from the peasant sector of about 800,000 farmers still locked into subsistence agriculture.

"Nowhere else in Africa is there infrastructure and skilled labor to compare," says David Hasluck, director of the Commercial Farmers Union (CFU). Even the huge South African industry cannot match, hectare for hectare, Zimbabwe's competitive advantage in terms of the ability to produce, the cost of production and market access.

Given regular rainy seasons, Zimbabwean farm output would grow by a steady 8 percent a year, says Mr. Hasluck. But if the weather has been kind this year, other influences have not. This year, the government is presenting commercial agriculture with the most severe threat yet to its existence: wholesale nationalization of land.

President Robert Mugabe announced on June 23 that "hundreds of [commercial] farms" had been identified for appropriation by the government to resettle peasants. He said that the state would not pay for the land, but only for improvements.

It is the latest development in his campaign to redress inequity in land distribution. Currently, 4,500 commercial farming families occupy 11 million hectares (27.18 million acres), and 800,000 peasant families live on 20 million hectares. Commercial farmers have a ratio of 2,500 hectares per family and peasant farmers of 25 per family.

The historical legacy, the racial divide and the economic imbalances that underline the land dispute in Zimbabwe are political issues that no government could ignore. But Mr. Mugabe's way of dealing with them has brought censure from Western donors, who charge him with an abrogation of property rights and a misallocation of farm land. The announcement has resulted in the withdrawal of nearly all donor support for the vital resettlement program.

The government has already bought 450,000 hectares from farmers, but these have not been resettled because funds are lacking. Nevertheless, the rate of farm appropriation is expected to increase dramatically because responsibility for identifying properties for this purpose has been taken away from agricultural authorities and handed over to a national committee of the ruling ZANU(PF) party, which has been given no criteria on which to select farms.

There are other consequences. Banks, which laid out 4.8 billion Zimbabwean dollars to farmers last year, have become increasingly reluctant to continue backing them because of Mr. Mugabe's new policy, says Mr. Hasluck.

Foreign investors

The program has also made agriculture the only sector that the state-run Zimbabwe Investment Centre rules out altogether for foreign investors. The exclusion is a major constraint on the development of added value, particularly for horticulture, where the construction of pack sheds and canning factories is the sector's next logical development.

Already established companies are not affected, however. One of them, British-based Tate and Lyle's Zimbabwe Sugar Refineries (ZSR), will complete this year a 160 million Zimbabwean dollar modernization of its sugar refinery.

Mr. Hasluck points out that allowing foreign business to participate in farming would frustrate the government's designs on commercial land because of international guarantee treaties like the World Bank's Multilateral Investment Guarantee Agreement (MIGA) and the United States' Overseas Private Investment Corporation (OPIC).

Prodigious percentage

Gary Magadzire, president of the Zimbabwe Farmers' Union (ZFU), is concerned about the nearly one million peasant farmers that he represents. "The smallholder areas have been starved of public sector investment and infrastructure," he says.

He thinks that outdated land tenure systems have made peasant land "valueless" and that the finance allotted to resettlement is "an embarrassment." The peasant sector, he adds, "must be treated as the top priority in resource allocation."

Agriculture has shown a decline in its share of GDP, from 19 percent in 1985 to 14 percent this year. For all that, its contribution is still prodigious. •

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THE WORLD'S DAILY NEWSPAPER

WORLD ROUNDUP

Penalties in Brawl

BOXING Riddick Bowe's promoter was fined and suspended by the New York State Athletic Commission Thursday as a result of a brawl that broke out after the former heavyweight champion's disqualification victory over Andrew Golota on July 11 in Madison Square Garden.

Bowe was not fined or suspended, but his manager, Rock Newman, will not be able to attend, even as a spectator, any bout or exhibition Bowe engages in New York through July 31.

Spencer Promotions, the promoters of the fight, will make a payment of $200,000 to the commission and donate $50,000 to a charity or charities to be determined by the commission. *(AP)*

Russell Boyce/Reuters

Pakistan opener Aamir Sohail beating an attempted run out.

England Beats Pakistan

CRICKET Mike Atherton hit a gutsy 65 Thursday to lead England to a five-wicket victory over Pakistan in the first one-day international at Manchester. Robert Croft's spin bowling had helped restrict Pakistan to 225 runs for five wickets in its 50 overs. *(Reuters)*

Stars Walk Off Course

GOLF Howard Clark may be fined after joining Sandy Lyle in a British Masters walkout on Thursday. Clark told his playing partners that he was not going on after nine holes of his second round. Lyle gave up on the final hole of his first round after pitching into the lake in front of the green.

Eight players had withdrawn before the second day of the tournament was halfway through.

The opening day of the £700,000 ($1.09 million) event had been halted by two thunderstorms, and 77 players had to return to the course at dawn to complete their first rounds. *(Reuters)*

Boardman Breaks Record

CYCLING Chris Boardman of Britain broke his world record Thursday in the final of the 4,000 meters pursuit at the world championships in Manchester. Boardman's time of 4:11.114 took more than two seconds off the record he set Wednesday. *(Reuters)*

Graf Batters Her Way To 3d Round of Open

Stich Is Dispatched With Dispatch

The Associated Press

NEW YORK — Top-seeded Steffi Graf battered Austria's Karin Kschwendt 6-2, 6-1 Thursday in her rush towards the defense of her U.S. Open title.

With the 52-minute victory, Graf moved into the third round, where her next opponent will be Natasha Zvereva of Belarus, a 4-6, 6-4, 6-3 winner over Japan's Ai Sugiyama.

Graf showed no signs of personal worries or health problems in her one-sided meeting with Kschwendt.

In an interview published in the Frankfurter Allgemeine Zeitung on Thursday, Graf said she had considered skipping the U.S. Open because it coincided with the opening of her father's tax evasion trial in Germany. Peter Graf's trial will open next Thursday, three days before the women's title match.

"It's an unfortunate date, but I am a little bit calmer now," Graf told the German newspaper.

Graf also said a painful left calf muscle also made her consider withdrawing from the U.S. Open.

Peter Graf, who for years acted as his daughter's manager, has been in jail since August 1995. He and the family tax adviser, Joachim Eckardt, are accused of evading taxes on $28 million of Steffi Graf's income between 1989 and 1993.

Both men face up to 10 years in prison if convicted.

In a battle of former Grand Slam champions Thursday, Spain's Sergi Bruguera beat Michael Stich of Germany to gain a third-round berth.

Bruguera, who won the French Open in 1993 and 1994, ousted the 1991 Wimbledon winner 6-3, 6-2, 6-4 to kick off Day 4 at the National Tennis Center.

Other second-round winners Thursday included third-seeded Thomas Muster of Austria, 6-3, 6-2, 6-4 over Germany's Dirk Dier; No. 13 Thomas Enqvist of Sweden, who downed France's Guillaume Raoux 6-3, 6-2, 6-3; Arnaud Boetsch of France, 7-6 (8-6), 6-3, 6-1 over Sweden's Magnus Gustafsson, and Switzerland's Jakob Hlasek, 7-6 (75), 7-6 (9-7), 6-0 over Spain's Alberto Berasategui.

U.S. OPEN

In the women's second-round the winners were No. 7 Jana Novotna, No. 14 Barbara Paulus of Austria, No. 17 Karina Habsudova of Slovakia, Italy's Rita Grande, Austria's Sandra Dopfer, Petra Langrova of the Czech Republic, Belgium's Els Callens and Russia's Elena Likhovtseva and Anna Kournikova.

Stich, who has 18th in the world rankings, had no answers to the problems presented by Bruguera, who reached the fourth round here two years ago.

"Overall, I feel very tired," Stich said. "I don't know what it is. Probably everything together. The whole year is just coming down.

"He didn't have anything to do but put the ball in play, keep it in play, hope for me to make mistakes. That's what I did."

Stich committed 44 unforced errors to just 12 for Bruguera, who has recovered his form after undergoing an operation that idled him for most of last year.

Despite the big smile and the friendly banter with the crowd Wednesday night, Neville Godwin wasn't having any fun. Michael Chang wouldn't let him.

"It's pretty tough to play against a wall, you know," Godwin said of his 6-1, 6-3, 6-1 second-round loss to Chang, the No. 2 seed in the year's final Grand Slam tournament.

"I have never come across anything like that in my life," said the South African qualifier. "Totally different experience. You think you've put one away, it comes back. You put the next one away, it comes back. It's an ongoing saga. It's not nice, not fun."

Godwin appeared to be having fun while absorbing his thrashing. It may have been his first time on Louis Armstrong Stadium Court at the National Tennis Center, but it was not his first time in the spotlight.

It was on a serve by Godwin at Wimbledon that Boris Becker suffered a wrist injury. Becker, the 1989 U.S. Open champion, has not played since.

It was well that Godwin shared a little laughter with the crowd. He got nothing but grief from Chang.

"I never approach any match like it was a workout," Chang said, immediately squashing any thoughts that he took Godwin lightly. "I come out to beat guys as fast as I can."

It took him 1 hour, 39 minutes to beat Godwin, breaking his opponent seven times and dominating in every way. Chang had only 18 unforced errors to Godwin's 50. He won 92 points to Godwin's 57.

The victory made Chang the second man to reach the third round. In another night match, Vince Spadea of Boca Raton, Florida, defeated Germany's David Prinosil 6-2, 1-6, 6-2, 6-4.

Men advancing into the second round included 12th-seeded Todd Martin.

Seeded women to gain third-round berths Wednesday were No. 2 Monica Seles, No. 4 Conchita Martinez, No. 8 Lindsay Davenport and No. 15 Gabriela Sabatini.

But 13th-seeded Brenda Schultz-McCarthy, her game a spate of mistakes, was ousted by Germany's Barbara Rittner 6-2, 6-1.

Forty-one of Rittner's 65 points came on Schultz-McCarthy's unforced errors.

Stan Honda/Agence France-Presse

Thomas Enqvist serving to France's Guillaume Raoux on Thursday at the U.S. Open. Enqvist won, 6-3, 6-2, 6-3.

Bulgaria'a High-Jump Star Overcomes Adversity and the Odds

International Herald Tribune

Athletics/ **IAN THOMSEN**

LONDON — "I am very, very happy," said Stefka Kostadinova. "But there is another thing I must tell you about."

Last month, two days before she was to begin high jumping for the Olympic gold medal she had been seeking for a decade, her friend Georgi Dakov was driving along the seaside in their native Bulgaria.

He might have been in Atlanta with her for the Olympics if not for a run of injuries and setbacks. He was 28. Two cars were racing as they approached Dakov, and the collision killed him.

If Kostadinova seemed remarkably composed two days later in Atlanta, it was because she didn't know about the death of her friend. With her there is another thing. Her father had been sitting in the front passenger seat. Sometime in the next year he will begin to find out whether he will be able to walk again.

"We didn't tell her. I don't think she would have won if she had known," said her manager, Paivi Kulikowski. "All of us around her knew about it and we were all worried that some journalist would ask her about it. Her husband, he was keeping all of the problems inside the whole time."

Kostadinova is 31. By the time she was 22, she had raised the world record three times to its current height of 2.09 meters (6 feet 10¼ inches). She had been the overwhelming favorite in the 1988 Olympics but had finished second in a jump-off with the American gold medalist, Louise Ritter.

Then there were other things: a knee injury, then a tenacious pain in her foot. The pain was diagnosed some time later as coming from a broken bone. In the 1992 Olympics she was fourth.

Last year her Olympic chances seemed to be behind her. In January 1995 she bore a son. But within two months she began to train again in Bulgaria. Her husband, Nikolaj Petrov, was also her coach. Their son would come to the track with them for training. The whole nuclear family would be there, as well as Stefka's mother, as babysitter.

The only explanations for what happened next are maturity and peace of mind. Three weeks after returning to competition, just a half-year after the baby, Kostadinova won the world championship with a jump of 2.01 meters.

Then, a few weeks ago in Atlanta, she finally won the gold medal at a height of 2.05 meters, an Olympic record.

"After my baby I jump better and better," Kostadinova said by telephone Thursday from Berlin. "Maybe I am very happy because I am a mama. Maybe I am more relaxed."

On Friday she will compete for a share of 20 kilograms (44 pounds) of gold. The Berlin ISTAF '96 is the last of the Golden Four meets.

Kostadinova is among the six athletes who won their event at the previous Golden Four meets at Oslo, Zurich and Brussels. The other contenders are Frankie Fredericks of Namibia in the 200 meters, Wilson Kipketer of Kenya (though he fancies himself Danish) at 800 meters, the American 400-meter hurdler Derrick Adkins, the British triple jumper Jonathan Edwards, and Lars Riedel, the German discus thrower.

Fredericks would seem to have the least chance. Michael Johnson has entered the 200 meters for the first time since setting the phenomenal world record of 19.32 seconds at the Olympics. Fredericks performs better as the underdog — he admitted so in Atlanta — and he did beat Johnson at Zurich in the second round of the Golden Four, but all such factors have since been washed away. When Johnson burst through Atlanta he wiped the event clean of anything that had gone on before.

The evening will end with a unique 4x100 meters relay team of the Olympic gold medalist and world record holder Donovan Bailey of Canada, Johnson, Fredericks and Linford Christie, the 36-year-old British champion, who is retiring this season. One will hand the baron to the next in an exhibition relay against teams from Africa, America and Europe, as well as a German team. It is meant to honor Jesse Owens, who won his four Olympic gold medals in Berlin 60 years ago.

As for Kostadinova, she did not learn of her friend's death and her father's injuries until 10 days ago, just before she was to return home to Bulgaria for a week of celebration. She learned, too, that her sister had been in the back seat, but had escaped harm. Until then, for a short time, she believed she had every happiness.

"Even after what I have achieved, I cannot relax now," she said. "There is the Golden Four final and then for me a big meet in Japan. I cannot relax. I cannot be happy. I have to be very professional."

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
New York	74	58	.561	—
Baltimore	70	62	.530	4
Boston	69	65	.515	6
Toronto	63	71	.470	12
Detroit	47	86	.353	27½
CENTRAL DIVISION				
Cleveland	80	53	.601	—
Chicago	71	64	.526	10
Minnesota	66	67	.496	14
Milwaukee	64	70	.478	16½
Kansas City	61	73	.455	19½
WEST DIVISION				
Texas	75	58	.564	—
Seattle	69	63	.523	5½
Oakland	64	72	.471	12½
California	61	72	.459	14

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	82	49	.626	—
Montreal	71	60	.542	11
Florida	63	70	.474	20
New York	59	74	.444	24
Philadelphia	54	80	.403	29½
CENTRAL DIVISION				
Houston	72	62	.537	—
St. Louis	69	64	.519	2½
Chicago	64	66	.492	6
Cincinnati	65	67	.492	6
Pittsburgh	56	76	.424	15
WEST DIVISION				
San Diego	74	60	.552	—
Los Angeles	71	61	.538	2
Colorado	70	64	.522	4
San Francisco	57	74	.435	15½

WEDNESDAY'S LIKE SCORES

AMERICAN LEAGUE

Milwaukee 000 000 000—0 6 1
Chicago 020 000 10x—2 7 0
McDonald and Levis, Slocumb (8) ; Baldwin, Castillo (8), R.Hernandez (9) and Borders. W—Baldwin, 10-4. L—McDonald, 10-9. Sv—R. Hernandez (34).

Cleveland 100 106 001—9 12 0
Detroit 001 100 100—2 11 0
Hershiser, Assenmacher (8), Plunk (9) and S. Alomar; Sager, R.Lewis (6), Keagle (7) and Ausmus. W—Hershiser, 14-7. L—Sager, 3-3. HRs—Cleveland, Thome (31), Belle (43), Kent (2). Detroit, T.Clark (16).

Oakland 000 020 000—3 11 0
Baltimore 000 000 000—0 9 0
Wengert and Steinbach; Mussina, Benitez (7), Corbin (8), Orosco (9) and Holles. W—Wengert, 7-9. L—Mussina, 17-9.

Minnesota 010 000 000—1 5 2
Toronto 010 004 10x—6 12 0
Aguilera, Parris (6), Stevens (8) and G. Myers; Henigen and O'Brien. W—Henigen, 17-7. L—Aguilera, 7-6. HR— Toronto, C. Delgado (22).

Texas 000 011 001 000—3 6 1
Kansas City 000 000 120 001—4 13 0
(12 innings)
K.Hill, Stanton (9), Ke.Gross (10) and I. Rodriguez; Belcher, Montgomery (9), Blume (10), Hrabosky (12) and Macfarlane. W—Hrabosky, 1-1. L—Ke.Gross, 10-8. HRs—Kansas City, Nunnally (2). Texas, J.Gonzalez (39), Palmer (32), Elster (23).

Boston 040 002 010—7 9 1
California 002 000 101—4 5 0
Gordon and Stanley; Boskie, Grimsley (6), McElroy (7), Gohr (8) and Fabregas. W—Gordon, 10-6. L—Boskie, 12-7. HRs—Calif., Snow (15). Boston, Greenwell (4).

New York 001 000 001—2 7 0
Seattle 011 204 02x—10 10 1
Gooden, J. Nelson (6), Polley (8) and Girardi; Mathelland, T.Davis (8), McCarthy (9) and Marzano. D. Wilson (8). W—Mathelland, 2-1. L—Gooden, 11-4. HRs—Seattle, A. Rodriguez (33), Buhner (37), Whiten (6), Strange (3).

NATIONAL LEAGUE

Cincinnati 001 022 031—9 12 1
Colorado 000 304 12x—10 11 0
Carrara, Carrasco (6), Le.Smith (7), Remlinger (7), Shaw (8) and Taubensee; Ritz, Holmes (6), M. Munoz (7), S. Reed (8), B. Ruffin (8) and Je.Reed. W—B. Ruffin, 6-5. L—Shaw, 5-5. HRs—Cincinnati, Howard (5), Taubensee (10). E. Davis (22), Morris (11), W. Greene (10). Colorado, Galarraga (40), Castilla (25).

Atlanta 230 002 100—7 13 0
Pittsburgh 100 100 200—4 6 1
Wade, McMichael (6), Clontz (7), Borowski (8), Hartgraves (9), Wohlers (9) and Ed.Perez; Loaiza, Ruebel (2), Morel (6), Veiknuisse (8) and Kendall. W—Wade, 5-0. L—Loaiza, 0-1. HRs—Pittsburgh, D.Clark (8), Kingery (2). Atlanta, Klesko 2 (22).

Los Angeles 102 200 000—5 11 1
Montreal 000 110 002—4 11 2
Astacio, Radinsky (8), Dreifort (9), Park (9) and Piazza; M.Lefebvre, Mesquel (4), Urbina (6), Dyer (8), Rojas (9) and D.Fletcher. W—Rojas, 7-4. L—Park, 5-4.

Chicago 202 000 000—4 9 0
Houston 200 001 10l—5 10 1
Trachsel, Bottenfield (8), Sanvais; Kile, Hudek (7), Magnan (9), Olson (9), Manwaring. W— Olson, 1-0. L—Bottenfield, 2-3. HRs— Hou., Mouton (2), Gutierrez (7).

San Diego 000 000 101 001—3 13 0
New York 001 001 000 000—2 2 0
(12 innings)
Valenzuela, T.Worrell (7), D. Veres (7), Bechtler (10), Bergman (11), Hoffman (12), Flaherty; McClure, DiPoto (7), Byrd (7), D. Henry (8), Franco (9), Wallace (11), Handley. W— Bergman, 6-8. L— Wallace, 0-1. Sv— Hoffman (32). HR— S. Diego, Caminiti 2 (21).

Florida 000 002 000 1—3 9 0
St. Louis 001 010 000 0—2 10 1
(10 innings)
Valdes, F. Heredia (6), Powell (7), Hammond (9), Nen (10), Zeon; Osborne, T. J.Mathews (7), Bailey (9), Eckersley (10) and Pagnozzi. W— Hammond, 5-7. L— Bailey, 3-2. Sv— Nen (28). HR— Florida, Cabrera (13).

Philadelphia 000 102 201—6 10 3
San Francisco 000 100 50x—7 11 0
Hunter, R. Jordan (7), K. Ryan (7), Parrett (7) and Santiago; Gardner, Dewey (7), DeLucia (8), Beck (9) and R. Wilkins. W— Dewey, 6-2. L— R. Jordan, 1-2. Sv— Beck (30). HR— Philadelphia, Santiago (24).

AMERICAN LEAGUE LEADERS

	G	AB	R	H	Avg.
ARodriguez Sea	117	484	119	178	.366
FThomas ChW	116	430	89	150	.349
RAlomar Bal	125	487	114	169	.347
Knoblauch Min	126	485	117	168	.346
Molitor Mil	133	545	88	187	.343
EMartinez Sea	111	400	98	135	.337
Greer Tex	125	495	91	166	.335
Cirillo Mil	130	453	82	150	.331
JGonzalez Tex	106	423	76	139	.329
Thome Cle	127	414	103	136	.327

RUNS—A. Rodriguez, Seattle, 119; Knoblauch, Minnesota, 117; R. Alomar, Baltimore, 114; Lofton, Cleveland, 107; Belle, Cleveland, 105; Thome, Cleveland, 103; Griffey Jr, Seattle, 102.

RBI—Belle, Cleveland, 125; Buhner, Seattle, 121; J. Gonzalez, Texas, 119; R. Palmeiro, Baltimore, 119; M. Vaughn, Boston, 118; Griffey Jr, Seattle, 112; A. Rodriguez, Seattle, 108.

HITS—Molitor, Minnesota, 187; Lofton, Cleveland, 181; A. Rodriguez, Seattle, 178; R. Alomar, Baltimore, 169; Knoblauch, Minnesota, 168; M. Vaughn, Boston, 167; I. Rodriguez, Texas, 167.

DOUBLES—E. Martinez, Seattle, 48; A. Rodriguez, Seattle, 46; I. Rodriguez, Texas, 44; Cordova, Minnesota, 40; M. Ramirez, Cleveland, 40; Greer, Texas, 38; Giambi, Oakland, 37.

TRIPLES—Knoblauch, Minnesota, 11; Vina, Milwaukee, 7; J.Valentin, Milwaukee, 7; Offerman, Kansas City, 7; DeMontreux, Chicago, 7; Guillen, Chicago, 7; Carter, Toronto, 7.

HOME RUNS—McGwire, Oakland, 44; Belle, Cleveland, 43; Griffey Jr, Seattle, 40; J. Gonzalez, Texas, 39; M. Vaughn, Boston, 38; B. yAnderson, Balt., 36; Bonner, Sea., 37.

STOLEN BASES—Lofton, Cleveland, 61; T. Goodwin, Kansas City, 55; Nixon, Toronto, 46; Knoblauch, Minnesota, 37; Vizquel, Cleveland, 31; Durham, Chicago, 25; Listach, Milwaukee, 25; McLemore, Texas, 25.

PITCHING (15 Decisions)— Nagy, Cleveland, 13-4, .765, 3.58; Pettitte, New York, 18-7, .720, 4.32; Hentgen, Toronto, 17-7, .708, 3.32; Klingbeck, Seattle, 12-6, .667, 5.18; Powell, Texas, 14-7, .667, 4.22; Alvarez, Chicago, 14-7, .667, 3.96; K. Hill, Texas, 14-7, .667, 3.45; Hershiser, Cleve., 14-7, .667, 3.96.

STRIKEOUTS—Clemens, Boston, 203; Finley, California, 174; Alvarez, Chicago, 164; Messina, Baltimore, 163; A. Fernandez, Chicago, 163; Gutman, Toronto, 160; Appier, Kansas City, 154.

SAVES—Wetteland, New York, 38; R. Hernandez, Chicago, 34; Percival, California, 33; Mesa, Cleveland, 31; Fetters, Milwaukee, 26; Henneman, Texas, 26; R. Myers, Baltimore, 26.

NATIONAL LEAGUE LEADERS

	G	AB	R	H	Avg.
Grace ChC	113	438	73	150	.342
Piazza LA	119	443	69	151	.341
EYoung Col	115	470	99	160	.340
Burks Col	129	521	126	177	.340
LJohnson NYM	131	559	96	178	.318
Bichette Col	132	533	100	169	.317
Gilkey NYM	129	487	96	154	.316
Cp.Jones Atl	127	494	99	155	.314
Caminiti SD	118	441	86	138	.313
Bagwell Hou	134	469	89	146	.311
Sheffield Fla	132	447	99	139	.311

RUNS—Burks, Colorado, 126; Finley, San Diego, 106; Biggio, Houston, 101; Bonds, San Francisco, 101; Bichette, Colorado, 100; C. Jones, Atlanta, 99; EYoung, Colorado, 99; Sheffield, Florida, 99.

RBI—Galarraga, Colorado, 127; Bichette, Colorado, 116; Burks, Colorado, 111; Bonds, S. Fran., 107; D. Bell, Houston, 103; Sheffield, Florida, 103; Caminiti, San Diego, 102.

HITS—L. Johnson, New York, 178; Burks, Colorado, 177; Grissom, Atlanta, 172; Bichette, Colorado, 169; Castilla, Colorado, 168; Grudzielanek, Montreal, 162; E. Young, Colorado, 160; Finley, San Diego, 160.

DOUBLES—Finley, San Diego, 40; Burks, Colorado, 38; Gilkey, New York, 37; H. Rodriguez, Montreal, 36; Bagwell, Houston, 36; Lansing, Montreal, 35; D. Bell, Houston, 35; Berry, Houston, 35.

TRIPLES—L. Johnson, New York, 17; Grissom, Atlanta, 9; Finley, San Diego, 9; Howard, Cincinnati, 8; Burks, Colorado, 8; Kilbrett, Florida, 7; Mondesi, Los Angeles, 6; De. Shields, L.A., 6; Vizcaino, N.Y., 6.

HOME RUNS—Sosa, Chicago, 40; Galarraga, Colorado, 40; Handley, New York, 28; Sheffield, Florida, 26; Burks, Colorado, 26; Castilla, Colorado, 25; Bonds, S. Fran., 25.

STOLEN BASES—E. Young, Colorado, 49; L. Johnson, New York, 46; D. eShields, Los Angeles, 43; Lankle, Cincinnati, 35; RHenderson, S. Diego, 34; McRae, Chicago, 33; Lankford, St. Louis, 29.

PITCHING (15 Decisions)— Swartz, Atlanta, 20-7, .741, 2.93; Reynolds, Houston, 16-6, .727, 3.32; Maegle, Pittsburgh, 14-6, .700, 3.05; Gardner, San Francisco, 10-5, .667, 4.56; Glavine, Atlanta, 19-7, .650, 2.81; Hamilton, San Diego, 12-7, .632, 4.23; R. Martinez, Los Angeles, 10-6, .625, 3.85.

STRIKEOUTS—Saavitz, Atlanta, 228; Nomo, Los Angeles, 195; Fassero, Montreal, 185; Kile, Houston, 177; P. JMartinez, Montreal, 171; Reynolds, Houston, 166; A. Leiter, Florida, 161.

SAVES—J. Brantley, Cincinnati, 36; TWorrell, Los Angeles, 35; Hoffman, San Diego, 32; Wohlers, Atlanta, 32; Beck, San Francisco, 30; Bottalico, Philadelphia, 28; Nen, Florida, 28.

Budweiser SPORTS NOTES

AUGUST 30, 1904

THE FASTEST THUMB IN THE WEST. AMERICA'S FRED LORZ FINISHES FIRST IN THE OLYMPIC MARATHON IN ST. LOUIS. BUT OFFICIALS STRIP LORZ OF HIS GOLD MEDAL UPON LEARNING FRED CRAMPED UP AND HITCHED A RIDE IN A CAR FOR NEARLY HALF OF THE 26 MILES.

THIS BUD'S FOR YOU.

http://budweiser.com

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	60	46	0	.566	—
Yomiuri	61	47	0	.565	—
Chunichi	57	48	0	.543	2½
Yakult	52	55	0	.486	8½
Yokohama	46	61	0	.430	14½
Hanshin	44	63	0	.411	16½

THURSDAY'S RESULTS
Yomiuri 3, Hiroshima 2
Hanshin 1, Chunichi 0

PACIFIC LEAGUE

	W	L	T	Pct	GB
Orix	58	43	5	.574	—
Nippon Ham	61	46	3	.570	—
Kintetsu	49	52	1	.485	9
Lotte	47	54	2	.465	11
Daiei	49	59	1	.453	12½
Seibu	47	57	4	.452	12½

THURSDAY'S RESULTS
Orix 8, Seibu 4

HOCKEY

WORLD CUP

FIRST ROUND
WEDNESDAY'S RESULT

Germany	6	2	1—3
Finland	3	3	2—8

First period: 1, Fin- Vitos (Koivu, Lehtinen). 2, Fin- Kasd (Lumme, Riihijarvi) (ppg). 3, Fin- Lehtinen (Peltonen, Koivu) (pp). Second period: 4, Ger- Nowak (Ustorf, Mackay) (pp). 5, Fin- Selanne (Stronberg). 6, Fin- Nieminen (Numminen). 7, Ger- Pyka (Ustorf). 8, Fin- Lehtinen (Peltonen, Kiprusoff). Third period: 9, Fin- Stronberg (Helminen) (pp). 10, Fin- Koivu (Lehtinen, Peltonen). 11, Ger- Hecht (Ustorf) (pp). Shots on goal: Ger- 5-5-8—18. Fin- 17-20-5—42. Power-play opportunities: Ger- 2 of 4. Fin- 4 of 8. Goalies: Ger- Mesk (42 shots, 34 saves). Fin- Myllys (18-15).

SOCCER

DUTCH FIRST DIVISION

Ajax Amsterdam 7, AZ Alkmaar 0
FC Groningen 1, Roda JC Kerkrade 1
Feyenoord Rott. 2, De Graafschap Doetin. 1
FC Utrecht 0, FC Twente 0
Vitesse Arnhem 1, Sparta Rotterdam 1
FC Volendam 1, PSV Eindhoven 3
Willem II Tilburg 1, RKC Waalwijk 3
STANDINGS: PSV Eindhoven 9 points; Feyenoord Rotterdam 7, Vitesse Arnhem 7; FC Hansweert 6, Ajax Amsterdam 4; FC Twente 5; RKC Waalwijk 4, De Graafschap 4, Fortuna Sittard 4; NAC 3, Roda JC 3; FC Utrecht 2, Sparta 2, FC Groningen 2; NEC 1, Willem II 1, AZ 1, FC Volendam 1.

FRENCH FIRST DIVISION

Lens 3, Montpellier 2
Bastia 0, Lille 0
Paris SG 1, Nantes 0
Cannes 0, Monaco 2
Rennes 1, Bordeaux 1
Lyon 2, Nancy 0
Metz 3, Strasbourg 1
Nice 1, Guingamp 2
Le Havre 1, Caen 1
STANDINGS: Lens 12 points; Paris SG 10; Bastia 8, Auxerre 6; Monaco 7, Lyon 7, Metz 7, Lille 7, Guingamp 7, Cannes 7; Bordeaux 6; Marseille 5; Rennes 4; Strasbourg 3; Montpellier 2, Le Havre 2, Caen 2; Nice 1, Nantes 1, Nancy 1.

GERMAN BUNDESLIGA

Fortuna Duesseldorf 0, 1860 Munich 0
Karlsruher SC 4, FC St. Pauli 0
Bayern Munich 4, Bayer Leverkusen 2
FC Cologne 0, Hansa Rostock 2
Arminia Bielefeld 1, MSV Duisburg 1
STANDINGS: Bayern Munich 10 points; VfB Stuttgart 9, Borussia Dortmund 9, FC Cologne 9; Karlsruher SC 7; Bayer Leverkusen 6, VfL Bochum 6, Hansburger SV 6, Hansa Rostock 5; Werder Bremen 4, 1860 Munich 4, FC St. Pauli 4, Fortuna Duesseldorf 4; Arminia Bielefeld 3, Schalke 3, SC Freiburg 3; Moenchengladbach 2; MSV Duisburg 1.

ITALIAN CUP

SECOND ROUND
Empoli 1, AC Milan 1
Spal 2, Reggiana 4
Lucchese 1, Vicenza 2
Cremonese 2, Udinese 1
Cesena 3, Roma 1
Bologna 2, Torino 1
Cosenza 1, Fiorentina 3
Arezzino 0, Lazio 1
Bari 1, Verona 1
Pescara 3, Parma 1
Monza 0, Napoli 1
Chievo 2, Cagliari 3
Fidelis Andria 0, Juventus 2
Ravenna 0, Internazionale 1

SOUTH AMERICAN SUPER CUP

FIRST ROUND
Argentinos Juniors 0, Racing Club 1

MAJOR LEAGUE SOCCER

Columbus 2, Los Angeles 0
STANDINGS: Eastern Conference— z-Tampa Bay 42 points; Washington 37; NY-NJ 30; Columbus 28; New England 27. Western Conference— Kansas City 40, Dallas 40; Los Angeles 39; San Jose 35; Colorado 28.
(z-clinched playoff berth).

CRICKET

FIRST ONE-DAY INTERNATIONAL

ENGLAND VS. PAKISTAN
THURSDAY, IN MANCHESTER
Pakistan innings: 225-5 (50 overs)
England innings: 226-5 (46.4 overs)
Result: England won by five wickets.

TENNIS

U.S. OPEN

THURSDAY'S RESULTS
MEN'S SINGLES, SECOND ROUND
Thomas Enqvist (13), Sweden, def. Guillaume Raoux, France, 6-3, 6-2, 6-3; Sergi Bruguera, Spain, def. Michael Stich, Germany, 6-3, 6-2, 6-4; Jakob Hlasek, Switzerland, def. Alberto Berasategui, Spain, 7-6 (7-5), 7-6 (9-7), 6-0.

WOMEN'S SINGLES, SECOND ROUND
Elena Likhovtseva, Russia, def. Lilia Osterloh, U.S., 6-4, 6-2; Rita Grande, Italy, def. Tina Krizan, Slovenia, 6-2, 6-0; Els Callens, Belgium, def. Annabel Ellwood, Australia, 6-4, 1-6, 6-1; Anna Kournikova, Russia, def. Natalia Baudone, Italy, 6-3, 6-3; Sandra Dopfer, Austria, def. Naoko Dohiman, Finland, 2-6, 6-2, 6-3; Barbara Paulus (14), Austria, def. Elena Wagner, Germany, 7-5, 7-6 (7-5); Petra Langrova, Czech Rep., def. Naoko Sawamatsu, Japan, 6-4, 3-6, 7-5; Karina Habsudova (17), Slovakia, def. Nathalie Dechy, France, 6-4, 6-2; Natasha Zvereva, Belarus, def. Ai Sugiyama, Japan, 4-6, 6-4, 6-3; Steffi Graf (1), Germany, def. Karin Kschwendt, Austria, 6-2, 6-1; Naoko Kijimuta, Japan, def. Alexandra Fusai, France, 6-4, 7-5.

WEDNESDAY'S LATE RESULTS
MEN'S SINGLES, FIRST ROUND
Todd Martin (12), U.S., def. Younes El Aynaoui, Morocco, 6-2, 6-2, 4-6, 6-4; Michael Tebbutt, Australia, def. Richey Reneberg, U.S., 3-6, 6-1, 3-6, 7-5, 6-3; Paul Haarhuis, Netherlands, def. Michael Joyce, U.S., 6-7 (5-7), 7-6 (8-6), 1-6, 6-2, 6-2; Guy Forget, France, def. Grant Stafford, South Africa, 3-6, 2-6, 6-4, 7-6 (7-2), 6-3.

SECOND ROUND
Vince Spadea, U.S., def. David Prinosil, Germany, 6-2, 1-6, 6-2, 6-4; Michael Chang (2), U.S., vs. Neville Godwin, South Africa, 6-1, 6-3, 6-1.

WOMEN'S SINGLES, SECOND ROUND
Monica Seles (2), U.S., def. Laurence Courtois, Belgium, walkover; Dally Randriantefy, Madagascar, def. Jane Chi, U.S., 6-3, 6-1; Barbara Rittner, Germany, def. Brenda Schultz-McCarthy (13), Netherlands, 6-2, 6-1; Lisa Raymond, U.S., def. Sarah Pitkowski, France, 6-3, 6-4; Asa Carlsson, Sweden, def. Barbara Schett, Austria, 6-3, 3-1, retired; Conchita Martinez (4), Spain, def. Nathalie Tauziat, France, 6-1, 6-3.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE
BALTIMORE—Recalled LHP Jimmy Haynes from Rochester, IL. Optioned RHP Nerio Rodriguez to Rochester.
CALIFORNIA—Activated LHP Chuck McElroy from 15-day disabled list. Designated LHP Kyle Abbott for assignment.
SEATTLE—Put LHP Randy Johnson on 15-day disabled list. Bought contract of LHP Greg McCarthy from Tacoma, PCL.
TORONTO—Signed SS Brent Abernathy.

NATIONAL LEAGUE
CINCINNATI—Put RHP Mark Portugal on 15-day disabled list.
HOUSTON—Agreed to terms with RHP Mark Johnson. Put RHP Doug Drabek on 15-day disabled list. Recalled OF Mike Simms from Tucson, PCL.
NEW YORK—Announced Frank Howard has resigned as coach, but will remain with team as consultant for remainder of season.
ST. LOUIS—Released RHP Mike Morgan. Recalled 1B Dmitri Young from Louisville, AA.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION
CHICAGO—Announced resignation of John Pinson, assistant coach.
HOUSTON—Signed C Charles Jones. G Sam Mack and G Tracy Moore.

FOOTBALL

NATIONAL FOOTBALL LEAGUE
ARIZONA—Signed TE Johnny McWilliams to one-year contract and LB Devon McDonald. Waived DT Mike Foley. Signed DE Larry Jackson to practice squad.

IHT Puts Baseball Stats on the Internet

All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

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SPORTS

Yanks Turn to Fighting

Brawls Erupt as Seattle Wins Again

The Associated Press

The frustration had been building for a while, and late in another game the New York Yankees were about to lose, it broke loose.

Paul O'Neill and Darryl Strawberry became involved in separate altercations during a bench-clearing brawl in the eighth inning Wednesday night, and both players were ejected in a 10-2 loss to the Seattle Mariners.

"Right now, we're on the edge," Yankees manager Joe Torre said. "It doesn't take much to set us off."

The Mariners completed a three-game sweep, giving New York its first four-game losing streak of the season. The AL East leaders still lead by four games over Baltimore, which lost, but Boston won and closed within six.

The Yankees accused Seattle manager Lou Piniella of ordering a brushback on O'Neill and said that caused the fight. Piniella said the Yankees might have been upset with their 14th loss in 16 games at the Kingdome.

The problems in Seattle began in the eighth when O'Neill thought Tim Davis' first pitch was too high and tight. O'Neill started talking with Mariners catcher John Marzano, who bumped the Yankees hitter and then threw a punch that missed.

The benches and bullpens emptied, and, after it looked like the teams had calmed down, Strawberry wound up in the middle of another brawl with several Mariners.

O'Neill and Strawberry were ejected, as were Bobby Ayala, Chris Bosio and Marzano of the Mariners.

Yankees reliever Jeff Nelson hit Joey Cora with the first pitch in the bottom of the eighth and was ejected.

O'Neill played under Piniella on the 1990 Cincinnati team that won the World Series, but some Yankees said the two do not get along.

"He doesn't like Paul," Mariano Duncan said. Jay Buhner hit a three-run homer, and Alex Rodriguez, Mark Whiten and Doug Strange also connected for the Mariners.

AL Roundup

Red Sox 7, Angels 4 Tom Gordon worked around three walks in the first inning without allowing a run and went on to pitch a five-hitter for Boston, which has won five in a row and 22 of 28.

Athletics 3, Orioles 0 Don Wengert scattered nine hits in his first complete game in the majors, and Oakland cooled off the Orioles at Camden Yards.

Wengert walked none in beating Baltimore for the second time in 11 days. The Orioles lost for only the 10th time 29 games.

Indians 9, Tigers 3 Albert Belle hit a grand slam, and Cleveland became the first team to sweep a season series from Detroit, going 12-0 against the Tigers.

The Indians became the seventh team in modern history to sweep a season series, and the first since Montreal did it to San Diego in 1994.

Belle matched his career high with 129 runs batted in, connecting for his 43d home run this year and seventh lifetime slam. It was the 11th slam allowed by the Tigers, a major league record.

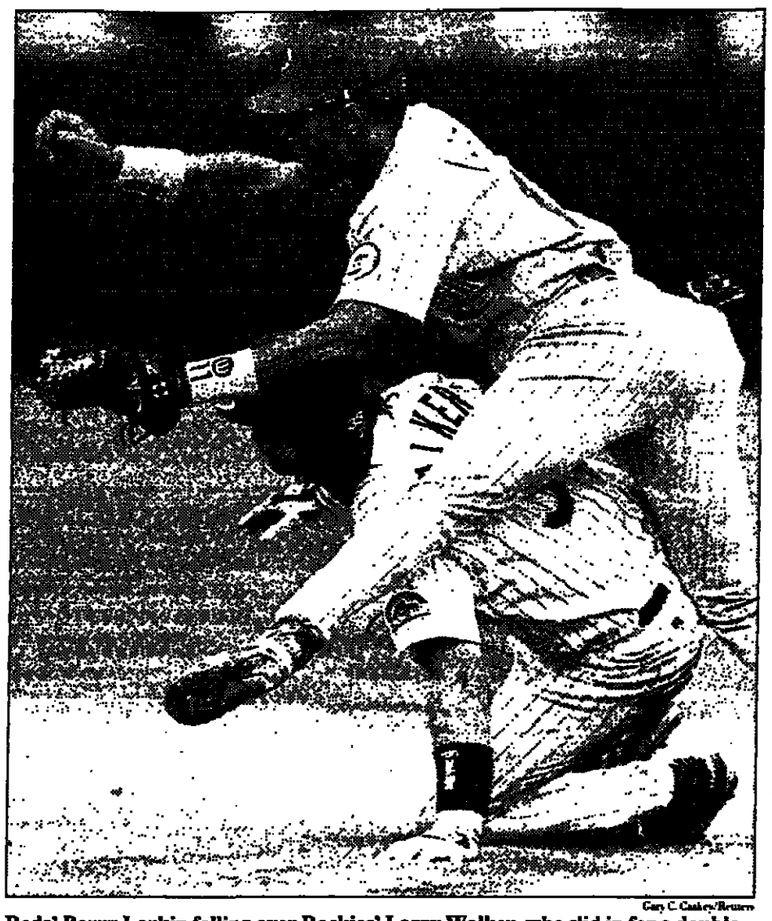
White Sox 2, Brewers 0 Rookie James Baldwin teamed with two relievers on a six-hitter as Chicago beat Milwaukee for only its fourth victory in 14 games.

Blue Jays 6, Twins 1 Pat Hentgen put himself further into contention for the AL Cy Young Award, pitching his fifth straight complete game for host Toronto.

Hentgen (17-7) gave up five hits in his major league-leading ninth complete game, his 10th victory in 11 starts.

Royals 4, Rangers 3 Johnny Damon scored from first base on a long single by Jose Offerman with two outs in the bottom of the 12th, giving Kansas City its second straight extra-inning victory over Texas.

Damon singled with one out, and was running when Offerman lined his hit into right-center. Damon scored easily when center fielder Darryl Hamilton bobbled the ball.



Gary C. Caskey/Reuters

Reds' Barry Larkin falling over Rockies' Larry Walker, who slid in for a double.

Do Eagles Believe In Rodney Peete?

By Richard Justice
Washington Post Service

PHILADELPHIA — Rodney Peete's work day began at 6:30 when he climbed out of his black Lexus and walked into Veterans Stadium for the first of three therapy sessions on his left knee. It ended almost 10 hours later, after the last of those sessions.

In between, he attended meetings, took every snap in a two-hour practice and spent a breezy half-hour kibitzing with the local media. Just a few days ago, the Philadelphia Eagles had all but declared their starting quarterback out of Sunday's regular season opener against the Washington Redskins.

Now, thanks to endless hours of rehabilitation and what would seem to be his own inherent toughness, Peete appears ready to go.

"I won't know until I'm hit the first time," he said. "But I can do everything at practice, and I think I'll be ready."

His coaches and teammates expect nothing less.

Three years ago, he was wearing out his welcome in Detroit. Two years ago, he seemed to be playing out the string as a backup in Dallas. Last year, the Eagles signed him because of dwindling confidence in Randall Cunningham.

Peete saved a season.

The Eagles were 1-3 when Coach Ray Rhodes benched Cunningham and inserted the seven-year veteran into the lineup. With Peete in charge and Ricky Watters leading one of the NFL's best running games, the Eagles won nine of their final 12 games to make the playoffs.

Then, in perhaps the sweetest moment of Peete's NFL life, he led the Eagles to a first-round victory over his former team, the Lions. Peete may have been the most unappreciated playoff quarterback in the league — except in his own locker room.

In a league that loves its 6-foot-4 quarterbacks, Peete is barely 6 feet. His 67.3 rating was the third-lowest in the National Football Conference, and his eight touchdown passes were the second-fewest. No one goes to the Hall of Fame on his totals: eight touchdown passes, 14 interceptions. By his own admission, he does not have the strongest arm or the greatest talent.

Except that the Eagles believe in their Peete.

"He said the right things, made the right decisions," said Eagles center Raleigh McKenzie, a former Redskin. "A lot of times, he didn't look good, but he's got a leadership in the locker room and on the practice field. He's a good morale guy, the way Doug Williams, used to be in Washington. He comes into the huddle, and the way he calls the play makes you think it's going to be a touchdown."

Peete symbolized a team that probably got more out of its personnel than any other. He led the Eagles to seven straight home victories, including one over Dallas. The Eagles are convinced that if Peete hadn't suffered a concussion in the first half of their second playoff game, they had a chance to beat the Cowboys in the second round of the playoffs.

"He brings an attitude onto the field," Rhodes said. "He's a fiery guy. He's going to bark at people. And that's what it takes sometimes. You find that in the Marinos, Montanas. They're just going to find a way to win."

This year, they're hoping for even more.

BUT PEETE has still not dispelled all the doubts. The Eagles spent part of the offseason flirting with other quarterbacks, including Raiders free agent Jeff Hostetler. The guy they got was the Green Bay Packers backup Ty Detmer, who was promised two preseason starts by Rhodes.

The Eagles are vague about whether they expected Detmer to take the job away from Peete. What is clear is that Peete is again having to prove himself.

If Peete was hurt or upset, he won't say it. He is as articulate and proper in interviews as teammates say he's profane and fiery in the huddle.

"It's been an ongoing process every year," he said. "I didn't expect anything different. Had they come out and said, 'This is our guy,' that would have been refreshing.

"I really didn't expect that to happen. If I go out and have a good season, maybe that will come. After last year, they maybe still had some questions about me. We'll see."

He said getting Detmer "was a great acquisition. In this day, you've got to have two guys that can definitely play. Very seldom does a quarterback stay healthy for all 16 games. You've got to have someone capable of coming off the bench and being productive.

"I was in the same situation last year. We were 1-3 and struggling, and I think I brought something to the table when I came off the bench. I was going into the season like I was the starter. I wasn't looking at it like I had to go back in and fight for my job again."

Still, there's no doubt that his leadership and maturity — as opposed to his throwing arm — were what the Eagles appreciated about him. Cunningham was never liked much, by either coaches or teammates. Peete is liked by almost everyone.

Braves Beat Pirates After Trade

The Associated Press

The Atlanta Braves traded for Pittsburgh's best starter and then roughed up their least-effective one, quickly scoring six runs against Esteban Loaiza to beat the Pirates 9-4 Wednesday night in Pittsburgh.

Ryan Klesko homered twice and Terry Pendleton chased Loaiza (0-1) with a three-run double that made it 6-1 in the second inning as Atlanta improved to 8-3 against Pittsburgh this season.

Minutes before the game began, the Braves strengthened their rotation for the playoffs by trading three prospects for 14-game winner Denny Neagle, who beat them 3-2 Tuesday.

Loaiza lasted just 1⅓ innings in his fourth consecutive sub-par start.

NL Roundup

Astros 5, Cubs 4 In Houston, Brian Hunter doubled home the winning run with two outs in the ninth inning, rallying Houston over Chicago for its second straight comeback victory.

Expos 6, Dodgers 5 In Montreal, David Segui's two-out single in the ninth inning drove in the winning run as Montreal rallied from a five-run deficit to beat Los Angeles.

A misplayed fly ball in the eighth helped the Expos stop Los Angeles' five-game winning streak. Montreal moved one-half game ahead of the Dodgers in the race for the NL wild-card spot.

Padres 3, Mets 2 In New York, switch-hitter Ken Caminiti set an NL record by homering from both sides of the plate for the seventh time in his career, and Archi Cianfrocco pinch hit a single in the 12th inning that lifted San Diego over New York.

The NL West-leading Padres won their fourth in a row. The Mets have lost six straight, and fell to 0-2 since Bobby Valentine replaced fired manager Dallas Green.

Caminiti homered as a lefty and a righty in the same game for the third time this year. He hit a solo home run in the ninth, tying it at 2-2.

Rockies 10, Reds 9 Andres Galarraga tied a team record with his 40th homer, a two-run shot in the eighth inning that broke a tie and gave Colorado a victory over visiting Cincinnati.

Marlins 3, Cardinals 2 Cardinals reliever Cory Bailey walked the bases loaded in the 10th inning for Devon White, who hit a sacrifice fly to give Florida a victory in St. Louis.

The loss dropped second-place St. Louis 2½ games behind Houston in the NL Central. The Cardinals have lost seven of their last nine.

Giants 7, Phillies 6 In San Francisco, the Giants hit six consecutive singles in the seventh to erase a three-run deficit and take a lead they would not relinquish over Philadelphia.

Much of the damage was done by rookies and career backups who are filling in for injured regulars. Bill Mueller and Desi Wilson, who were promoted from the minors in early August, were among the four players who had consecutive RBI singles in the five-run seventh inning.

Steve Scarsone and Rich Aurilia singled to knock out Philadelphia starter Rich Hunter. Wilson and Marvin Benard had RBI singles off Ricardo Jordan, and Mueller and Glenallen Hill had RBI singles off Ken Ryan.

Baseball on Deck in Europe

Bonn and London See America's National Pastime

By Michael Carlson
Special to the Herald Tribune

European baseball has had a very good summer. In Atlanta's Olympic tournament, Holland and Italy surprised everyone by winning two games each, finishing equal with Australia and ahead of South Korea. It was Europe's best performance ever.

Just a week later, the German national team turned in a performance that might mean more, long term, to the growth of America's national pastime in European soil.

In front of a sellout crowd of nearly 5,000 in Bonn, Germany defeated a Major League Baseball International "legends" team, 7-4.

For the Germans, still a long way behind the Dutch and Italians, the victory may mark a turning point in their efforts to develop the game, even if a team whose stars were Ron LeFlore, Jim Lefebvre and George Vukovich might stretch the definition of "legends."

The Legends squad might better be called "the Fabulous Baker Boys" as they seemed to consist of ex-teammates, if not roommates, of Steve (Home Run) Baker, a former major league pitcher who is Major League Baseball International's vice president of game development.

Baker laughed off his failure as a neophyte general manger: "I combed the country looking for the best players available. Anything else was just a coincidence!"

For the Germans, Michael Waeller of the Lockstedt Stealers pitched a complete game victory, and just to rub things in, Sven Huhnholz from Berlin Bats won the home-run derby, defeating big-league hitting coach Dan Briggs. Bonn's Rheinaue became a full-fledged baseball stadium, complete with organist Mike Mixon and mascot Rocky Bluewinkle, both on loan from the Wilmington (Delaware) Blue Rocks, a minor league team.

Earlier in the summer, Major League Baseball International put on a four-day July 4 Fan Fest at London's Covent Garden, which exposed the sport to more than 100,000 fans.

Lefebvre, who played 13 seasons in the big leagues and then played in Japan before managing and coaching three major league teams, was enjoying his first-ever summer off.

"It was simply tremendous to travel, meet people, and finally, to play in Germany," he said. Now he's rumored to be the leading candidate for the California Angel's managerial job. "Unless I get a better offer in Europe," he laughed. "We'll see what happens."

Germany remains crucial to baseball's European plans. The World League of American Football gridiron has done well there, but domestic basketball and hockey are not yet huge.

"There's room for a new sport, especially in the summer," Russell said. "The German federation is young and has built from the grass roots. It's up to us to give them the kind of support they need to help the game grow."

With no chance of bringing major league players to northern Europe during the baseball season, Russell's plans include a possible return of minor leaguers to London's Oval Cricket Ground, where Mets and Red Sox prospects played in 1993.

But there is light on the horizon. "Baseball should be open to pros at the Sydney Olympics," says Russell. "There is the possibility of an Olympic hiatus in baseball season."

They could see big leaguers at Bonn's Rheinaue. And the Phillie Phanatic instead of Rocky Bluewinkle.

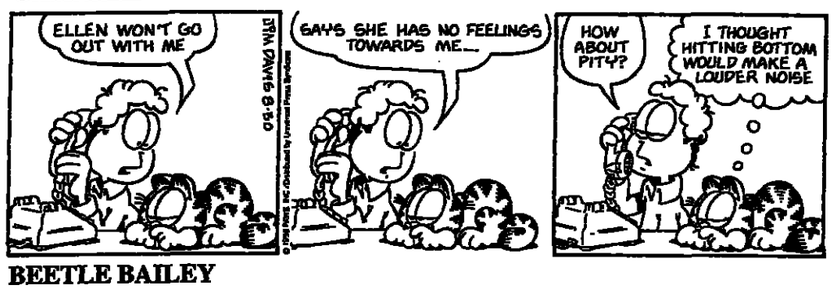
DENNIS THE MENACE

"I HAD A BAD DAY. EVERYTHING WAS OUT OF MY REACH."

PEANUTS

CALVIN AND HOBBES

GARFIELD



WIZARD of ID

JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YOVEC

HESOW

CEITED

ABAANN

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: PRIME BUMP SALOON MORTAR
Answer: She got to this by dyeing her hair — THE ROOT OF THE PROBLEM

BEETLE BAILEY

THE FAR SIDE

"Julian ... you're cheating."

DOONESBURY

BLONDIE

To our readers in France:
It's never been easier to subscribe and save with our new toll free service.
Just call us today at 05 437 437

OBSERVER

Smoke-Filled Policy

By Russell Baker

NEW YORK — Nobody howled last week when the federals asserted a right to ban and/or edit advertising. This was strange because almost everybody opposes the government's right to do anything nowadays.

Deregulation — that's the word of the day. Yet here are the feds starting to regulate advertising, and there's practically no fuss made about it. There are two possible explanations.

One: "The press, like the public, has room in its brain for only one story at a time." This observation, filched from E.L. Doctorow's novel "The Waterworks," certainly seems true this summer when the press is mesmerized by American politics.

They say 15,000 press-type people attended the Republican show in San Diego. Under the equal-excess rule governing the press, there are just as many with the Democrats in Chicago. Who is left to stew about ad regulations?

□

Possible Explanation Number Two: People are timid about objecting when good ends are pursued by evil means. The crackdown on advertising aims to save young people from becoming tobacco addicts by eliminating seductive ads.

But if the government is really so caring about children, why have a Democratic president and a Republican Congress just teamed up to make children suffer for their parents' failure to become employed?

Something seems cockeyed here. The feds are almost certainly abusing the First Amendment by issuing orders about what can and cannot be advertised. So Big Bad Tobacco goes to court. Court tells the government it's in contempt of the Constitution. By then, a year or two or 20 have passed — such is the pace of American law — and the 1996 election is over and done with.

Never mind. While the law muses, Bill Clinton's political campaign has been fortified with images of a president unafraid to tangle with Big Bad Tobacco, deadly seducer of America's youth.

□

There is something illogical in the suggestion that government is playing rough with the First Amendment-only to save kids from something that's bad for them.

Tobacco clearly is, but so are other items that are seductively advertised. Will the government proceed to regulate whiskey ads? Will there be a crackdown on beer ads? It's America's best-known secret that underage kids are knocking back six-packs.

Shouldn't the government ban beer advertising in places frequented by children? Yet there is no zealous public attack on Big Bad Beer like the campaign against tobacco.

Television floods its sports coverage with seductive beer ads, usually linking them with seductive automobile ads in which young folk speed all over the tube. Here is a seductive invitation to drunken driving. Very bad for children and all who get in their way.

Will the feds crack down on these ads, too? Very doubtful. After putting the boot into Big Bad Tobacco, doing likewise to Big Booze, Big Beer and Big Internal Combustion would be dumb politics.

New York Times Service

How Bad Is Dad? Just as Bad as Dennis Wants to Be

By Keith B. Richburg
Washington Post Service

ANGELES CITY, Philippines — This town of cheap hotels, go-go bars and tawdry discos used to bustle until dawn, but that was before the nearby Clark Air Base, one of the biggest U.S. military installations in Asia, shut down. Now, its vitality gone, Angeles feels like the end of the line, a place where characters who never quite fit into any of life's conventional niches somehow wind up.

Characters like Philander Rodman Jr., the basketball star Dennis Rodman's bad-to-the-bone old man.

Philander Rodman ran off with another woman when Dennis was a child and hasn't seen his famous son since. He says he's been in and out of jail, and left the U.S. Air Force under a cloud when he was accused of stealing military equipment. He runs a dingy bar called the Full House, and he has two Filipino wives, which he justifies because he says he's a Muslim. He has 27 children — the last born three weeks ago — "from four different wives and extracurricular activities," he boasts, swigging down a San Miguel beer.

And at age 56, Philander Rodman says he plans to keep up his prolific pace of procreation. "I got some more babies left," he said, with some of his younger children gathered around him. "I'm shooting for 30."

That's what you call bad. Just plain bad.

"They think Dennis is bad," Rodman said of his son, whose autobiography, "Bad as I Wanna Be," has topped the best-seller lists this summer. "They ain't been around me.

"They ain't seen nothin'. I'm the bad one." And you get the feeling he just might be right.

Because of the famous son he abandoned, and because this country is crazy for basketball, Philander Rodman has become something of a local celebrity. During this year's NBA playoffs — in which his son's team, the Chicago Bulls, won the league championship — Philippine reporters trooped up here from Manila to interview him. He has been featured on Philippine television. He keeps a bulging file of the various articles that have been written about him.

In "Bad as I Wanna Be," Dennis Rodman writes of his absent father: "I haven't seen him in more than 30 years, so what's there to miss? I just look at it like this: Some man brought me into this world. That doesn't mean

Keith B. Richburg/The Washington Post

Philander Rodman Jr., father of Dennis, shows off Chicago Bulls memorabilia.

I have a father." Philander Rodman said he now writes and sends faxes to Dennis constantly, asking to be able to see him again, but has never received a reply. He said he watches all the Bulls' games he can, when they are televised here on ESPN or on local stations.

"I don't ever plan to ask him for anything," Philander Rodman. "I didn't make the money — that's his money. I just like to look at him, and say, 'That's my son.'"

"I understand Dennis's bitterness towards me," he said, explaining that his own father — Philander Rodman Sr. — abandoned him, leaving his family in Memphis to seek a better life up North.

"He left my mother when I was 6 years old and went to Chicago," Philander Rodman said, recalling his own upbringing. "I used to hate my father. I thought he deserted us." Now, he said, he has come to appreciate the dilemma of black men in America who were unable to earn enough to care for their families, and who were under constant pressure at home to provide more.

"Later on, when I got married, Dennis's mother gave me such a . . . hard time, I understood it wasn't my daddy's fault," he said. He said that in 1968, he saw his father in Chicago and told him, "Dad, I used to hate you. But I got a wife like that right now, and I'm trying to get rid of her."

Philander Rodman said he divorced Dennis's mother in 1970, in Texas, and married the woman he was dating, a military chaplain's daughter, a week later. That marriage lasted until 1977, and produced Philander Rodman 3d, who now plays basketball for the University of Idaho.

Shirley Rodman, Philander Rodman's first wife and the mother of Dennis, confirmed her former spouse's identity in a telephone interview from Dallas.

In the Philippines, Philander seems to have found his niche. This seedy little town, full of night spots with names like the Happy Hooker and the DMZ, has become something of a haven for American military retirees who while away their pensions on cheap beer and cheap women.

The Full House is a rundown little watering hole with a small, covered patio, a jukebox in the corner, red bar stools and plastic coverings over the chairs, and four mirrors behind the bar with aluminum foil borders and tiny Christmas tree lights.

A part of one wall of the Full House, over by the jukebox and near the calendar, is dedicated to Philander's most famous son, Dennis. His No. 91 jersey — just like the one Philander himself wears — hangs on the wall next to Michael Jordan's No. 23. There is a large poster of Dennis airborne, a Sports Illustrated cover of Dennis in leather and red hair, and various yellowing newspaper clippings covering Dennis's exploits.

Of Philander Rodman's 27 children, 15 of them now live with him and one of his two local wives (who live in separate houses near each other).

As the youngest children wander through the bar, Philander points to the poster and asks, "Who's that?" They reply, "Brother Dennis!"

During an Air Force tour of duty in Vietnam, Rodman ran a restaurant in Saigon called the Soul Kitchen, catering to black GIs and specializing in chitterlings, pig feet, ham hocks and other Southern dishes. When he came to Clark Air Base here, he also ran a restaurant for a while, and plans to begin cooking again soon.

He left the Air Force in 1977, after 17 years, after he was accused of stealing military equipment from the base and keeping it in the house he shared with the Filipino woman who is now one of his wives. "They couldn't prove I did it," he said. He was acquitted, he said, but then quit anyway.

He now receives a small disability check of $170 each month because of an old leg injury.

While he hasn't been around physically to have any impact on Dennis Rodman's life or career, he said he still sees much of his own rebelliousness and lack of conventionality in the flamboyant son who paints his hair and professes a fondness for displaying himself naked.

"You can't control me. You can't control him," Philander Rodman said. "When I see him talk, I look at me. When I see him walk, I look at me. When I read this," he said, holding up his ever-present copy of Rodman's book, "I'm reading about myself."

"I think he'll understand one day" why he abandoned him, Philander said. Then he added, "I hope so, anyway. I hope he'll come around."

Ronald Zak/The Associated Press

SPARKLING SOIREE — President Thomas Klestil of Austria chatting with Norway's Queen Sonja, who is on a four-day state visit to Austria.

PEOPLE

THE Smashing Pumpkins, who went on the road this week for the first time since their keyboardist died of a drug overdose, have ruled out rehiring the drummer fired in connection with the tragedy. **Jonathan Melvoin** overdosed on a mixture of alcohol and heroin on July 12, the day the band was scheduled to begin a sold-out two-night stand at Madison Square Garden. The drummer, **Jimmy Chamberlin**, who had been with Melvoin, was charged with possession of controlled substances. The band fired him five days later. **Billy Corgan**, the band's vocalist and main songwriter, told Rolling Stone that he sometimes wished the original line-up could be back together again — "but it would take a lot of tea in China to go back to that." The band resumed their tour in Las Vegas on Tuesday with **Matt Walker** of the techno-punk band **Filter** on drums and **Dennis Flemion** of The Frogs on keyboards.

□

Dustin Hoffman hosted a screening of his new film "American Buffalo" at the Venice film festival on Thursday, wryly calling it "critic-proof." A non-commercial venture, it is a film of a **David Mamet** play by the same name. "If they love it we make two dollars and if they hate it we make one dollar. It's a very liberating way to work," said Hoffman, an Oscar winner who was honored at the festival this year with a Golden Lion prize for life achievement. On the other end of the fame spectrum was a group of out-of-work actors from Los Angeles who chose their own roles by making their own film. "Swingers," which they filmed in 21 days on a budget of $250,000 from private donations, was warmly received by critics at an out-of-competition screening.

□

Liam Gallagher flew to the United States on Thursday to join **Oasis** on an American tour, three days after he refused to board a Chicago-bound plane with the rest of the hit band. Gallagher, the lead singer, cursed the media at London's Heathrow and then shouted "Bon voyage" as he headed off to board the flight. He denied there was a rift with his brother, **Noel**, who filled in at Tuesday night's opening show at the Rosemont Horizon near Chicago. Oasis is on tour in the United States until Sept. 18. At this year's Brit Awards, Oasis won best group; best album, "(What's the Story) Morning Glory?" and best video, "Wonderwall."

□

Amy Carter is getting ready for a homespun wedding Sunday in Plains, Georgia, and her father is helping with the preparations. "We've been madly housecleaning and shaping up the area where the wedding is going to be held and getting the people in Plains, our friends, to devise flower arrangements," former President **Jimmy Carter** said. Amy, 28, will marry **James Wentzel**, a 27-year-old computer consultant. At least 80 out-of-town guests are expected at the ceremony, which will be casual. The bride will wear a 1920s-style wedding gown and is making her own wedding cake — with a little help from her friends.

□

A former Miss America, **Phyllis George**, is trading her old Kentucky home for the glamour of the Upper East Side apartment of **Claudette Colbert**, who died last month. George, the ex-wife of former Kentucky governor **John Brown**, says she's "working on some TV projects, and it will be easier to be in New York than in Kentucky," The Washington Post reported.

□

Tea with Liz Taylor? Steak with Schwarzenegger? The two are among a host of celebrities who have contributed recipes for a cause — wolves. "Famous Friends of the Wolf Cookbook," by **Nancy Reid** and **Sheila Liermann**, includes kitchen tips from more than 35 stars. Proceeds from the $30 book will go to the Boise, Idaho-based Wolf Education and Research Center. Besides Taylor and Arnie, the cookbook includes recipes from **Clint Eastwood, Brad Pitt, Tom Brokaw, Jamie Lee Curtis, Jackson Browne, Linda Ronstadt, Andie MacDowell, Richard Dreyfuss, Maria Shriver** and **Robert Redford**, who offers "Grilled Utah Trout on Ranch Greens with Yogurt Lemon Dressing."

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